



OKOMFO ANOKYE RURAL BANK PLC

ANNUAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER, 2022

CONTENTS	PAGE
NOTICE OF ANNUAL GENERAL MEETING	1
PROGRAMME	2
CORPORATE INFORMATION	3
BOARD OF DIRECTORS	4
EXECUTIVE MANAGEMENT	5
CHAIRMAN'S REPORT	7
DIRECTOR'S REPORT	19
INDEPENDENT AUDITOR'S REPORT	24
STATEMENT OF COMPREHENSIVE INCOME	29
STATEMENT OF FINANCIAL POSITION	30
STATEMENT OF CHANGES IN EQUITY	31
STATEMENT OF CASH FLOWS	32
NOTES TO THE FINANCIAL STATEMENTS	33
SCHEDULE TO STATEMENT OF COMPREHENSIVE INCOME	69
ANALYSIS OF SHAREHOLDERS	71
PROXY	72

NOTICE IS HEREBY GIVEN THAT THE 36TH ANNUAL GENERAL MEETING (AGM) OF THE SHAREHOLDERS OF THE OKOMFO ANOKYE RURAL BANK PLC, WIAMOASE-ASHANTI, WILL BE HELD AT THE WIAMOASE SALVATION ARMY CHURCH HALL ON FRIDAY, 15TH DECEMBER, 2023 AT 10.00AM TO TRANSACT THE ORDINARY BUSINESS OF THE ANNUAL GENERAL MEETING:

AGENDA

- i. To read the Notice convening the 36th Annual General Meeting
- ii. To Confirm the Minutes of the 35th Annual General Meeting
- iii. To Receive the following:
 - a. Chairman's Report
 - b. Board of Directors' Report
 - c. External Auditors' Report
 - d. The Financial Statements of the Bank for the year ended 31st December, 2022
- iv. To authorize the Directors to fix the Auditors' fees
- v. To declare Dividends
- vi. To fix Directors' sitting allowance and Transportation
- vii. To elect Directors to replace those retiring on rotation.
- viii. To consider and approve the committee report on Revised Bank's Constitution
- ix. Any other business

RETIRING DIRECTORS

In accordance with Section 325 of the Companies Act 2019 (Act 992) and the Bank of Ghana Corporate Governance Directive for RCBs 2021, three (3) Directors, Emmanuel Owusu Boakye, Very Rev. Eric Kwame Boakye-Yiadom and Prof. Siaw Frimpong are due to retire at the end of the meeting. They are however not eligible for re-election. In view of this, the general public is hereby informed that five (5) vacancies are available on the Board.

ELIGIBILITY FOR DIRECTORSHIP

Please note that any person vying for the position of a Director must have expertise in any of the following areas: Agriculture, Education, Finance, Law, Information Technology, Accounting, Building & Construction and any other relevant disciplines.

The said person must also:

- be a highly public-spirited person
- have a passion for rural banking

Shareholders are hereby informed that they are at liberty to propose any person of their choice who qualifies to contest to the office of a Director of the Bank.

The proposal shall however be seconded by another shareholder of the Bank. Any person wishing to contest the position of Directorship shall submit his/her application together with a current Curriculum Vitae (CV) to the **Company Secretary not later than fourteen (14) days** before the Annual General Meeting. Such an application shall be seconded by a shareholder qualified to nominate.

A shareholder is entitled to attend and vote at the AGM or appoint a proxy to attend and vote instead of him/her. Such a proxy needs not be a member or shareholder of the Bank.

The instrument appointing such a proxy must be addressed to the Company Secretary at Wiamoase-Ashanti, not later than **forty-eight (48) hours** before the time for holding the meeting.

Shareholders can access the Annual Reports at all the Bank's Branches or at the Bank's website www.okomfoanokyeruralbank.com

Dated at Wiamoase, this day 17th October, 2023.

BY ORDER OF THE BOARD

1. Opening Prayer - Major Kwasi Yeboah
2. Introduction of Chairman & Other Board Members - Ms. Mercy Obiri-Yeboah
3. Chairman's Response -
4. Introduction of Invited Guests/Dignitaries - MC – Mr. Francis Agyei Bekoe
5. Reading of Notice convening the meeting - Company Secretary
6. Confirmation of Previous Minutes -
7. To consider the following:
 - a. Chairman's Report - Mr. Emmanuel Owusu Boakye
 - b. Directors' Report - Very Rev. Eric Kwame Boakye-Yiadom
 - c. Auditor's Report - Richard Owusu Afriyie & Associates
8. Acceptance and Discussion of Reports
9. Declaration of Dividend
10. Authorization of Directors to fix Auditors' fees
11. Fixing of Directors' sitting allowance and Transportation
12. SPEECHES:
 - a. Ashanti Chapter President, Association of Rural Banks
 - b. Managing Director, ARB Apex Bank
 - c. Members of Parliament / District Chief Executives
 - d. Nana Wiamoasehene
13. Approval of the revised Bank's Constitution
14. Election of Director(s) to replace those retiring - District Electoral Officer
15. Presentation of citations to retiring Directors and special award
16. Chairman's Closing Remarks
17. Vote of Thanks - Ms. Mavis Opoku Agyemang
18. Closing Prayer - Rev. Eric Boakye-Yiadom

BOARD MEMBERS

Mr. Kennedy Obiri-Yeboah (Board Chairman Retired: 16/12/22)
 Mr. Emmanuel Owusu-Boakye (Board Chairman: 16/12/22 to date)
 Mr. Kwasi Bempa, Esq. (Retired: 16/12/22)
 Rev. Eric Boakye-Yiadom
 Professor Siaw Frimpong

SECRETARY

Mr. Marvin Abako
 P.O.Box 13
 Wiamoase - Ashanti

SOLICITORS

Kwasi Bempa, Esq.
 Faith Chambers
 Kumasi

MANAGEMENT

Mr. Paul Kwabena Oduro
 Aps. Isaiah Ameyaw-Amankwah
 Mr. Prince Takyi
 Mr. George Coffie
 Mr. Joseph Kofi Cobbinah
 Mr. Joseph Boahen
 Mr. Joseph Kwame Addae
 Miss Cassandra Okudzeto
 Miss Mavis Opoku Agyemang
 Mr. Emmanuel Amankwaa - Kusi

INTERNAL AUDITOR

Mr. George Oti Kwarteng

EXTERNAL AUDITORS

Richard Owusu -Afriyie & Associates
 Chartered Accountants & Business Advisors
 P.O. Box AH 9139
 Ahinsan - Kumasi

BANKERS

UBA
 Ecobank Ghana Ltd
 ARB APEX Bank Plc
 Consolidated Bank Ghana Ltd.
 Zenith Bank Ghana Ltd.

REGISTERED OFFICE

Wiamoase

POSTAL ADDRESS

Okomfo Anokye Rural Bank Limited
 P.O. Box 13
 Wiamoase - Ashanti



KENNEDY OBIRI-YEBOAH (Board Chairman (Retired): 16th December, 2022)

QUALIFICATION	CONTACT DETAILS	POSITION
CA, CEMBA, MBA (Accounting), AIM (Management Practice)	0244419587 0501333610	Board Chairman (Retired)



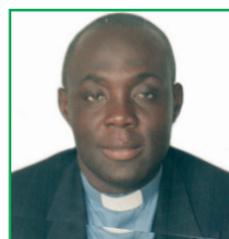
EMMANUEL OWUSU BOAKYE (Board Chairman: 16th December, 2022 to date)

MA (HRD), B.Ed (Technology)	0244598359 0204344903	Board Chairman Chairman, Loans & Advances Committee, Member, Human Resource Committee
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LAWYER KWASI BEMPA (Board Member (Retired): 16th December, 2022)

LLB; Bachelor of Law	0208135981 0204344901	Board Member (Retired) Bank's Solicitor, Chairman Procurement Committee
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VERY REV. ERIC K. BOAKYE YIADOM

B.Com, CIM (Ministry)	0244214479 0204344907	Board Member, Member, Loans & Advances Audit & Governance, & Procurement Committees.
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PROF. SIAW FRIMPONG

PhD (Finance), M.Bus, Dip. Grad (Fin), B.Com, Dip Ed.	0244887254 0332137871 0501267206	Board Member, Chairman, Audit and Governance
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PAUL KWABENA ODURO

CA, MBA (Finance) ACIB	0501628452	Chief Executive Officer
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ISAIAH AMEYAW AMANKWAH

Bsc (Agriculture), ACIB CEMBA (General Management)	0204344993	Head of Banking Operations
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PRINCE TAKYI

MBA (Accounting), BBA (Accounting)	0204344915	Head of Finance
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JOSEPH BOAHEN

CA, Msc. (INDUSTRIAL FINANCE AND INVESTMENT)	0204344943	Head of Risk & Compliance
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GEORGE OTI KWARTENG

ACCA, BSc (Applied Accounting), MPHIL (Industrial Finance and Investment)	0204344995	Head Internal Audit
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EMMANUEL AMANKWAH KUSI

MBA (Finance)	0203301179	Head of Business Dev & Research
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QUALIFICATION	CONTACT DETAILS	POSITION
BISMARK BOAMAH FRIMPONG		
Bsc (Computerised Accounting)	0204344913	Deputy Head of Banking Operations



JOSEPH KWAME ADDAE		
B.Com (Accounting)	0508716877	Head of Credit



GEORGE COFFIE		
Bsc. (Information Technology)	0204344997	Head of I.T



JOSEPH KOFI COBBINAH		
BSc. (Banking and Finance)	0204344996	Head of Microfinance



MARVIN ABAKO		
BA (Integrated Development)	0204344918	Company Secretary



CASSANDRA OKUDZETO		
MBA (Marketing), ACIHRM - Ghana	0204345223	Head of Human Resource Management



MAVIS OPOKU-AGYEMANG		
MBA (Human Resource Management)	0204344917	Head of Administration

CHAIRMAN'S REPORT TO SHAREHOLDERS AT THE 36TH ANNUAL GENERAL MEETING

EMMANUEL OWUSU BOAKYE
BOARD CHAIRMAN



INTRODUCTION

Nananom, Hon. District Chief Executive, Managing Director of ARB Apex Bank PLC, Executive Director of Association of Rural and Community Banks (RCBs), President of the Association of RCBs, Ashanti Chapter, Directors and Chief Executive Officers from the other Sister RCBs, Fellow Shareholders, Friends from the various Media Houses, Distinguished Ladies and Gentlemen, all other protocols duly observed.

I am highly delighted to welcome you all to the 36th Annual General Meeting of the shareholders of the Okomfo Anokye Rural Bank PLC and to present to you the Annual Report and the Financial Statements of our Bank for the year ended, 31st December, 2022.

ECONOMIC REVIEW

Nananom, Fellow Shareholders, Distinguished Ladies and Gentlemen, Ghana's economy entered a full-blown macroeconomic crisis in 2022 on the back of pre-existing imbalances and external shocks. This led to large financing needs, tightening financing conditions, exacerbated debt sustainability concerns and shutting-off Ghana from the International Financial Market. Large capital outflows combined with monetary policy tightening in advanced economies put significant pressure on the exchange rate, together with monetary financing of the budget deficit, resulting in high inflation. These developments interrupted the post COVID-19 recovery of the economy as GDP growth declined from 5.1% in 2021 to 3.1% in 2022. The 2022 fiscal deficit was well above target at 11.8%. Public debt rose from 79.6% in 2021 to over 90% of GDP in 2022, as debt service-to-revenue reached 117.6%.

To help restore macroeconomic stability, Ghana has secured a three-year IMF Extended Credit Facility (ECF) programme of USD 3 billion and has embarked on a comprehensive debt restructuring. The authorities have committed to a front-loaded fiscal consolidation while pursuing a tighter monetary policy, complemented by structural reforms in the areas of tax policy, revenue administration, and public financial management, as well as steps to address the weaknesses in the energy and cocoa sectors. The government has completed a Domestic Debt Exchange Programme (DDEP), implemented an external debt repayments standstill, and sought official debt restructuring under the Common Framework.

In the first half of 2023, GDP growth rebounded to 3.2% on the back of strong growth in services (6.3%) and agriculture (6.2%). On the other hand, the industrial sector contracted by 2.2% as all industry sub-sectors (oil and gas, manufacturing, water and sewerage, and construction) shrank, except for mining and quarrying. First half of 2023 data indicates that fiscal balance improved to a deficit of 0.8% of GDP while the primary balance (commitment basis) recorded a surplus of 1.1% of GDP. Inflation which has been driven by food prices remained elevated at 40.1% in August 2023. Poverty has worsened. The 'international poverty' rate was estimated at 27% in 2022, an increase of 2.2% points since 2021. Ghanaian households have been under pressure from high inflation and slowing economic growth (*World Bank report Ghana, 2022*).

It is worthy to note that the entire Rural Banking Sector had over GHS 470 million locked up with assets management companies such as the Blackshield Capital Management (Gold Coast Securities), NTHC, SIC Financial Services and many others. This has impacted negatively on the profitability of the RCBs in Ghana.

As the banks were strategising to mitigate the negative effects of these locked up funds on their operations, the Government of Ghana which had become the only trusted assets Management Avenue also embarked on Domestic Debt Exchange Programme (DDEP) that has also impacted negatively on the RCBs that participated in it.

The Rural Banking Sector had a total of about GHS1.1 billion in Government of Ghana bonds that were affected. It is refreshing to note that our Bank did not participate in the DDEP and for that matter was not affected.

FINANCIAL POSITION OVERVIEW

Nananom, Distinguished Guests, Ladies and Gentlemen, Fellow Shareholders, notwithstanding the challenges above, our Bank competed favorably among its peers as it continued on the path of growth albeit slower than projected for 2022 financial year.

Our performance in 2022 as compared to 2021 is depicted pictorially in the table below:

S/N	INDICATOR	2022 GHS	2021 GHS	PERCENTAGE CHANGE (%)
1	Deposits	124,264,551	93,485,214	32.9
2	Investment (Gross)	63,821,317	51,368,389	24.24
3	Loans and Advances (Gross)	40,740,510	34,222,823	19.04
4	Fixed Assets (Gross)	9,203,972	9,138,652	0.71
5	Total Assets	137,782,072	101,338,053	35.96
6	Stated Capital	1,584,159	1,495,459	5.93
7	Shareholders' Fund	5,654,941	4,040,234	39.97
8	Gross Income	23,930,198	16,885,300	41.72
9	Expenditure	22,034,848	15,555,913	41.65
10	Profit before tax	1,895,350	1,329,387	42.57

The size of the Bank's Balance Sheet increased by 35.96% from GHS 101 million in 2021 to GHS137 million in 2022. The growth was driven by increase in deposits due to the confidence reposed in the Bank by our cherished clients. Fixed Assets on the other hand increased marginally by 0.71% during the year under review from GHS9.1 million in 2021 to GHS9.2 million in 2022.

SHAREHOLDERS' FUND

Nananom, the shareholders' fund increased from GHS 4 million in 2021 to GHS 5.6 million in 2022 representing an increase of 39.97%. This was underpinned by strong growth in our profitability for the period under discussion.

Fellow shareholders, the stated capital increased by 5.93% from GHS 1.495 million in 2021 to GHS1.584 million in 2022. I therefore respectfully make a passionate appeal to our cherished shareholders and members of the general public to buy more of our shares to enable the Bank compete very well among its peers.

I am happy to inform you that our Bank has been adjudged by our regulators as one of the fastest growing RCBs in Ghana and I also wish to assure you that there is no better time to buy the shares of the Okomfo Anokye Rural Bank PLC than now.

DEPOSITS

Distinguished Ladies and Gentlemen, the deposits grew by 32.92% from GHS 93.4 million in 2021 to GHS124.2 million in 2022. The achievement was as a result of hard work and dedication exhibited by Management and staff of the Bank through various deposit mobilisation strategies they adopted during the year under discussion. The table below shows the analysis of deposits for the period under consideration.

S/N	TYPE OF DEPOSIT	2022 GHS	2021 GHS	CHANGE %
1	Savings Account	42,539,651	32,382,253	31.37
2	Current Account	27,260,357	16,851,773	61.77
3	Fixed Deposit	17,346,832	16,261,246	6.68
4	Susu	37,117,711	27,989,942	32.61
	TOTAL	124,264,551	93,485,214	32.92

LOANS AND ADVANCES

Loans and advances to customers increased by 19.04% from GHS 34.2 million in 2021 to GHS 40.7 million. It is worthy to note that the total disbursement for the year under review amounted to GHS 72 million. The sectoral breakdown is as follows:

S/N	SECTORS	2022 GHS	% OF TOTAL LOANS	2021 GHS	% OF TOTAL LOANS
1	Agriculture	765,019	1.88	400,782	1.17
2	Cottage Industry	798,020	1.96	490,049	1.43
3	Transport	812,336	1.99	493,162	1.44
5	Trading	23,215,045	56.98	21,310,284	62.27
6	Salary	15,150,089	37.79	11,528,546	33.69
	Total	40,740,510	100	34,222,823	100

MICROFINANCE OPERATIONS

Nananom, Fellow shareholders, Ladies and Gentlemen, the Bank continues to intensify its operations in the microfinance sector by expanding the group activities. This has resulted in the expansion of groups and an increase in financial assistance to our small scale traders of which greater number of them are women in the Bank's catchment areas.

S/N	MICRO CREDIT	2022 GHS	% OF TOTAL LOANS	2021 GHS	% OF TOTAL LOANS
1	Group Credit	3,062,355	21.04	3,269,563	27.37
2	Susu Credit	11,497,909	79.96	8,677,843	72.63
3	Total	14,560,265	100	11,947,406	100
	Total Disbursement	35,373,800		28,695,500	

INVESTMENTS

Investment in treasury bills and other placements increased from GHS 51.3 million in 2021 to GHS 63.8 million in 2022 representing an increase of 24.24%.

Nananom, Ladies and Gentlemen, after the revocation of the licenses of some Fund Managers by the Securities and Exchange Commission (SEC), part of our investments got locked up with some of these companies. The details of the total of other investments for 2022 held in some companies other than the treasury bills are as shown in the table below:

S/N	COMPANY	GHS	STATUS
1	United Bank for Africa (UBA)	6,200,000	Performing
2	SIC Financial services	2,213,438	Impaired
3	Gold Coast Fund (Blackshield)	1,245,792	Impaired
4	Consolidated Bank of Ghana Ltd.	4,600,000	Performing
5	Progress Savings and Loans Limited	650,000	Performing
	Total	14,909,230	

Nananom, it is worthy to note that the Bank made 100% impairment on SIC Financial Services, 50% impairment on Gold Coast Fund Management as at December, 2022 whilst Progress Savings and Loans Limited fully paid the outstanding balance in November, 2023.

OPERATIONAL PERFORMANCE

Nananom, Distinguished Guests, Fellow Shareholders, Ladies and Gentlemen, despite the economic challenges highlighted earlier in this report, our Bank made an unprecedented profit before tax of GHS 1.8 million in 2022 as against GHS 1.3 million recorded in 2021 with a percentage increase of 42.57.

Fellow shareholders, despite the challenges facing the Bank as a result of the financial sector clean up, the COVID-19 pandemic and the most recent Domestic Debt Exchange Programme embarked on by the Government of Ghana, your Bank has returned to the path of high profitability as a result of prudent measures put in place by the Directors and Management. I wish to assure you that we will continue to work very hard and put in place the necessary internal control mechanisms to ensure that we compete favorably with our peers and satisfy your expectations accordingly.

DECLARATION OF DIVIDEND

Nananom, Fellow Shareholders, I am delighted to inform you that your Bank is one of the very few RCBs in Ghana that has received approval of the Bank of Ghana to pay dividend to their shareholders after the financial sector clean up exercise, COVID-19 pandemic and the most recent Domestic Debt Exchange Programme embarked on by the Government of Ghana.

Fellow shareholders, the Bank of Ghana's approval came about because your Bank met all the conditions necessary for the payment of dividends to shareholders in accordance with the law. This will come as a big relief to our shareholders who have not received dividend since 2018.

Ladies and Gentlemen, in view of the above, the Directors of your noble institution recommend a dividend of GHP0.38 with a total of **GHS 336,717.07** to all shareholders whose names appeared on the Bank's shareholders' register as at 31st December, 2022.

I therefore call on Management to expedite the necessary action after the meeting to pay the shareholders their respective dividends.

CORPORATE SOCIAL RESPONSIBILITY

Nananom, Fellow shareholders, your bank continues to support the various sectors of the economy through our corporate social intervention programmes. During the year under review, the Bank constructed a 20,000 liter mechanised borehole for the Okomfo Anokye SHS to solve the perennial water problem the school was facing and other social intervention programmes at the total cost of GHS108,759 in 2022 as against GHS 58,574 spent in 2021. The summary of the various areas are as follows:

PROGRAM		GHS
Education	-	85,650
Security	-	5,000
Health	-	10,120
Community Development	-	7,989

In addition to the above we have also started the construction of the main entrance of the Agona SDA College of Education. The school has since its inception as a College of Education remained one of the loyal key clients of the Bank.

Nananom, I am very happy to inform you that sod has been cut for the construction of a social centre for the Wiemoase Community as part of the Bank's corporate social responsibility and one of the series of activities earmarked for the celebration of the fortieth anniversary of the Bank.

CORPORATE BRANDING:

Nananom, as part of the activities to be undertaken to enhance the corporate image of the Bank, we have started branding our branches especially the banking halls to offer our loyal customers the comfort and also improve the turnaround time whenever they visit the branches to transact business with us.

Fellow shareholders, I am happy to inform you that in line with the above, our Kronum Branch has been given a facelift to reflect the image of the Bank and most recently the Wiemoase Main banking hall has also been renovated to make our loyal clients who visit the branch feel very comfortable. We wish to thank all stakeholders for bearing with us during the period of the renovation.

BRANCH DEVELOPMENT:

BEPOASE MOBILIZATION CENTRE RELOCATION

Ladies and Gentlemen, I wish to inform you that we have completed the phase one of the project by constructing a wall around the parcel of land located near the Bepoase lorry station and the market. It is the hope of the Board and Management to commence the phase two (construction of a modern banking premises) of the project after approval has been granted by the Bank of Ghana in the 2024 financial year.

ACQUISITION OF PARCEL OF LAND AT BOAMANG

Distinguished shareholders, appropriate steps have been initiated to enable us acquire a parcel of land at Boamang for the construction of an ultramodern banking premises for the Boamang Branch in the Afigya Kwabre North District of Ashanti.

RETIREMENT OF DIRECTORS BY ROTATION

Nananom, Fellow shareholders, Distinguished Ladies and Gentlemen, it is with a heavy heart that I announce to you that, three Directors including my humble self, (Mr. Emmanuel Owusu Boakye), Prof. Siaw Frimpong and Very Rev. Eric Boakye-Yiadom in accordance with the Bank of Ghana Corporate Governance Directive for RCBs published in May, 2021 shall retire from the Board at the end of this financial year. We have each served on the Board for more than the mandatory maximum three-year term for three terms (nine years).

In line with the above Directive, we are no longer eligible to seek re-election for another term. This situation has created three new vacancies in addition to the already existing two vacancies on the Board. In other words there are five vacancies existing on the Board to be filled with five new Directors at this meeting of which at least one should be a woman to be in line with the Directive.

Fellow shareholders, permit me at this juncture to humbly express on behalf of my two other colleague Directors and on my own behalf our sincerest gratitude to you for allowing us to serve you on the Board of this great institution of ours for over a decade each. Whilst expressing our deepest appreciation to for your cooperation and tolerance, I wish to use this opportunity to state that, if in the course of performing our duties as Directors of the Bank, we wittingly or unwittingly stepped on the toes of any one of you we ask for forgiveness and likewise if any one of you also stepped on ours we sincerely forgive and forget.

Fellow shareholders, in accordance with the Directive, there should be a maximum of seven member board and minimum of five members of which at least one should be a woman at any point in time as has been stated a while ago. In view of this, the election of the five new members in the course of the meeting and their subsequent approval by the Bank of Ghana will bring the number to seven in line with the Directive. The election of the Directors will be by **pool voting** as was indicated by the former Board Chairman in his report to the shareholders during the 35th Annual General Meeting.

Nananom, I am very happy to inform you that as we retire from the Board at the end of the year, we leave behind a robust Bank with about two hundred and fifty two (252) very young, experienced, hard working and united staff who are motivated to work, to sustain the performance of the Bank in this challenging financial environment. We humbly wish to indicate that we have served the Bank diligently and repositioned it on the path of growth and sustainability.

Fellow Shareholders, your Bank has been adjudged as one of the strong RCBs in Ghana currently and as we retire from the Board with just about two weeks to the end of the 2023 financial year, I deem it appropriate to present to you the projections we made for the year 2023 with particular reference to some important financial indicators of which I can confidently assure you that we will achieve all of them. Nananom, I am very optimistic that come next year, the Bank of Ghana will grant approval for a bigger amount to be declared by the Directors as dividend to shareholders. I present these indicators to you, our cherished shareholders in the table below to show vividly the state we will be leaving the Bank at the end of the year 2023.

S/N	INDICATOR	2023 GHS	2022 GHS	PERCENTAGE CHANGE (%)
1	Deposits	160,964,278	124,264,551	30
2	Investment (Gross)	107,661,583	63,821,317	69
3	Loans and Advances (Gross)	52,897,354	40,740,510	30
4	Total Assets	186,946,608	137,782,072	36
5	Stated Capital	2,050,000	1,584,159	29
6	Shareholders ' Fund	12,026,846	5,654,941	113
7	Gross Income	39,681,551	23,930,198	66
8	Expenditure	31,244,317	22,034,848	42
9	Profit before tax	8,437,234	1,895,350	345

Nananom, in addition to the above projections, it is also necessary to inform our cherished shareholders that we have nine branches that are fully computerised and networked. We also leave behind five strong vehicles to enhance the operational efficiency of the Bank. It is instructive to note that our internal control systems are very robust and can compete with any other bank in Ghana.

Fellow shareholders, your Bank is very liquid and is able to meet our customers' withdrawals and loan demands on time. It is worthy to note that your Bank is among the fastest growing RCBs in Ghana today. Fellow shareholders, I humbly wish to appeal to you to approve for the Board to give each of the retiring Directors befitting end of service awards in appreciation for our invaluable contributions towards the growth and sustainability of the Bank as per the Adhoc Committee recommendation that enabled Management to pay the previous exited Directors their retirement awards after the Bank of Ghana had given approval for such payment to be made to them.

RCBs QUARTERLY PERFORMANCE REVIEW REPORT

Nananom, Fellow shareholders, I am elated to inform you that our Bank was rated **Strong** and ranked 6th out of one hundred and forty five (145) RCBs in Ghana in the 2023, 2nd Quarter RCBs Performance Review by the ARB Apex Bank PLC. The Bank has been very consistent in its performance since the second quarter of 2022 to date. We were rated **Strong** in the first quarter of 2023 and was ranked 39th out of one hundred and forty six (146) RCBs in Ghana.

The following indicators were used by the Apex Bank PLC to assess the status of our Bank:

- Capital
- Asset Quality Ratios
- Asset Utilisation Ratios
- Profitability Ratios
- Liquidity Ratios

We could not have achieved this success all by ourselves as Directors without the support and cooperation of Nananom, Former Directors, Former General Managers, Shareholders, Management led by their hardworking CEO, the entire staff of the Bank and above all our loyal customers who have kept faith with us throughout the years.

FORTY UNDER FORTY ACHIEVERS AWARDS

Nananom, Fellow shareholders, Distinguished Ladies and Gentlemen, I am very happy once again to inform you that during the period under review, Mr. Paul Kwabena Oduro, (CEO, Okomfo Anokye Rural Bank PLC) emerged as the winner of the 2022 Forty under Forty Achievers Awards (Banking and Finance Category). Nananom, within the same reporting period, he was also nominated to compete in the second edition of the Ghana CEO's Vision and Wards for 2023.

Ladies and Gentlemen, join me to say big 'Ayekoo' to our young, experienced and hardworking CEO for these great achievements. I wish to emphasize that It is during his tenure of office that the Bank has seen this tremendous growth. I therefore wish to encourage and assure him of the Board's unflinching support to enable him work harder than before to win more laurels for himself and the Bank in general in the years ahead.

LEGAL CASES

Fellow shareholders, I am happy to inform you that as at the end of the year 2022, your Bank had no legal case(s) against it pending before any court of competent jurisdiction anywhere in Ghana. And as I speak with you now there is no legal case(s) against the Bank pending before any court of competent jurisdiction.

BANK'S CONSTITUTION

Fellow shareholders, the Bank's current constitution has been in existence for more than forty (40) years. It is outmoded and therefore needs to be amended to meet the current trends in the rural banking industry. An amended constitution has been drafted for resolution that is going to be passed in the course of the meeting.

The proposed amendments to the existing constitution were made in accordance with the companies Act 2019 (Act 992), Banks and Specialised Taking Institutions Act 2016 (Act 930), and the Bank of Ghana Corporate Governance Directive for RCB's, 2021 among others.

THE WAY FORWARD

The Board and Management will continue to seek ways of strengthening and developing the Banks' operations to maintain the confidence that our numerous customers and shareholders have in us. We will also intensify loan recovery, deposit mobilization drive, strengthen internal controls mechanisms and maintain quality assets to increase profitability. We will also take advantage of the various e-banking products such as e-zwich, Ghana Pay and the RCBs Internet and Mobile Banking (Agency Banking) that have been rolled out by the ARB Apex Bank PLC to improve upon the services we render to our cherished customers.

Investments will be diversified to ensure their safety and also to utilize returns on assets and shareholders' funds judiciously for the growth and sustainability of the Bank. Despite the stiff competition in the banking industry coupled with numerous challenges facing Banks, your Bank will continue to support its loyal customers within the catchment areas to improve upon their living conditions.

APPRECIATION

Nananom, I wish to express on behalf of the Board of Directors our profound gratitude to Management and Staff for their invaluable contributions towards the success story of the Bank, that we are telling today. We also wish to appreciate Nananom, our cherished shareholders, loyal customers and development partners including the Bank of Ghana, ARB Apex Bank PLC and Association of RCBs who are part of our success story for their continued support and cooperation.

CONCLUSION

Nananom, Distinguished Guests, Fellow Shareholders, Ladies and Gentlemen with the total commitment of the Board, Management and Staff and the strong support and patronage of our customers, your Bank will continue to make great achievements in the subsequent years and also to contribute strongly to the economic growth and social conditions of the people within our catchment areas in particular and Ghana in general.

Nananom, Distinguished Guests, I finally wish to call on our cherished shareholders to extend to the newly elected Board of Directors the kind of support and patience accorded us so that they will be able to formulate good policies and exercise oversight on Management and staff to sustain the performance of the Bank. And to the newly elected Directors, I wish to use this opportunity to congratulate you on your election to serve as Directors of the Bank and also to assure you that our doors are always open so never shy away from calling on us if there is the need for you to call for us to share our rich experiences with you so that you will be able to improve upon what we are leaving behind.

Long Live Okomfo Anokye!

Long Live Okomfo Anokye Rural Bank PLC!

Thank you and May the Almighty God richly bless us all.

Directors' Responsibilities and Approval

The Directors are required in terms of the Companies Act, 2019 (Act 992) to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Bank as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Bank and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board of Directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Bank and all employees are required to maintain the highest ethical standards in ensuring the Bank's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Bank is on identifying, assessing, managing and monitoring all known forms of risk across the Bank. While operating risk cannot be fully eliminated, the Bank endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

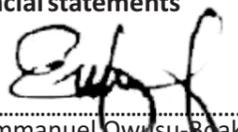
The Directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Bank's cash flow forecast for the year to December 31, 2023 and, in light of this review and the current financial position, they are satisfied that the Bank has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Bank's annual financial statements. The annual financial statements have been examined by the Bank's external auditors and their report is presented on pages 9 to 14.

The annual financial statements set out on pages 15 to 62, which have been prepared on the going concern basis, were approved by the Board of Directors on April 25, 2023 and were signed on their behalf by:

Approval of financial statements


Emmanuel Owusu-Boakye
Director


Rev. Eric Boakye-Yiadom
Director

The directors have the pleasure in presenting the audited financial statements of the Bank for the year ended 31st December, 2022.

Incorporation

The Bank was incorporated on January 18, 1983. The Bank was granted a license to operate as a Rural Bank by the Bank of Ghana in accordance with the Banks and specialized Deposit Taking Institutions Act 2016, (Act 930).

The Bank is domiciled in Ghana where it is incorporated as a limited liability by shares under the Companies Act, 2019 (Act 992). The address of the registered office is set out on page 2.

Nature of Business

The principal activity of the bank is to provide full banking services as a banking financial institution. The Bank was licensed to operate as a Deposit-Taking Bank Financial Institution regulated by the Bank of Ghana under the Banking Act, 2004 (Act 673), (as repealed by the Banks and Specialized Deposit Taking Institutions Act, 2016 (Act 930)).

There have been no material changes to the nature of the Bank's business from the prior year.

Review of financial results and activities

The annual report and financial statements have been prepared in accordance with International Financial Reporting Standards, the requirements of the Companies Act, 2019 (Act 992) and in manner required by the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The accounting policies have been applied consistently compared to the prior year.

The Bank recorded a Net Profit after tax for the year ended December 31, 2022 of GHS 1,526,292. This represented a significant improvement from a profit-making position of GHS1,049,172 from the prior year.

The Bank's net income increased 44.05 % from GHS 14,800,472 in the prior year to GHS 21,319,581 for the year ended December 31, 2022.

The Bank generated GHS18,543,600 from operating activities as against GHS18,425 used in operating activities for the year ended December 31, 2021.

The results for the year are summarized as follows

	2022 GHS	2021 GHS
Profit for the period before taxation amounted to	1,895,350	1,329,387
from which is deducted taxation of	(520,059)	(322,765)
Deferred Tax Credit	151,001	42,550
Giving a Profit after taxation of	1,526,292	1,049,172
Transfer to : Social Responsibility Fund	(76,315)	-
Transfer to : Statutory Reserve Fund	(381,573)	(262,293)
	1,068,404	786,879
which is added to the balance brought forward on Retained Earnings of	519,964	(235,342)
Giving a total of to which is added a transfer to	1,588,368	551,537
Credit Risk Reserve of	(5,856)	103,006
Funds Applied	-	(134,579)
Leaving a balance to be carried forward on Retained Earning of	1,582,512	519,964

Stated Capital

The Bank's Stated Capital increased to GHS 1,584,159 at the end of the year 2022 from GHS 1,495,459 of the previous year resulting in an increase of GHS 88,700 representing 5.93%.

The increase emanates from the sale of shares of 4,435,000 at GHp 2 per share which amounted to GHS 88,700. The number of shares also increased to 88,609,756 at the end of the current year 2022 from 84,174,756 in the previous year 2021 representing 5.3%.

Property, Plant and Equipment

There was no change in the nature of property, plant and equipment of the bank or in the policy regarding their use. As at December 31, 2022, the bank's investment in property, plant and equipment amounted to GHS 4,048,874 (2021: GHS3,782,407), of which GHS 800,729 (2021: GHS 804,530) was added in the current year. Disposal for the year under review amounted to GHS 740,809 (2021: 207,314).

Events after the reporting period

Events subsequent to the Statement of Financial Position date are reflected in the financial statements only to the extent that they relate to the period under review and the effect is material. There were no subsequent events at the reporting date, 31st December 2022.

Going concern

The Directors believe that the Bank has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Directors have satisfied themselves that the Bank is in a sound financial position and

that revenue from the assets under management would be enough to meet its foreseeable cash requirements. The Directors are not aware of any new material changes that may adversely impact the Bank. The Directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Bank.

Litigation statement

The Bank is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

Terms of Appointment of the Auditors

Richard Owusu-Afriyie & Associates have indicated their willingness to continue in office as auditors of the bank and in accordance with Section 139(5) of the Companies Act, 2019 (Act 992) they so continue. Shareholders wishing to inspect a copy of the terms on which the Bank's auditors is appointed and remunerated may do so by contacting the Bank's Secretary.

Corporate Social Responsibility

The Bank spent an amount of GHS 108,759 on Corporate Social Responsibility within the financial year.

Audit Fee Payable

Included in the general and administrative expenses is the agreed auditor's remuneration of GHS 50,000

Capacity of Directors

The Bank ensures that only fit and proper persons are appointed to the board after obtaining necessary approval from the regulator, Bank of Ghana.

Corporate Governance

The Board of Directors is committed to ensuring good corporate governance in line with Bank of Ghana directives as a means of determining the direction and performance of the Bank. To this end, the Bank aims to comply with best practices in corporate governance.

Anti – Money Laundering

The Bank has established an anti-money laundering system in compliance with the requirements of Ghana's Anti-Money Laundering (Amendment) Act 2014 (Act874) and AML/CFT&P Guidance, July 2018. These include due diligence for opening new accounts, customer identification, monitoring of high-risk accounts, record keeping and training of staff on money laundering which assist in reducing regulatory and reputational risk to its business.

Dividends

The Directors recommend the payment of dividends of GHS 336,717.07 (2021: Nil) that the Bank of Ghana has given approval. That is GHp 0.38per share on 88,609,756 Ordinary shares which qualified for dividends as per closure of register of December 31, 2022.

State of Affairs

The Directors consider the state of the Bank's affairs to be satisfactory.

Directors

The Directors who held office during the year were as follows:

Names of Directors	Designation	Shares Holding
Mr. Kennedy Obiri-Yeboah	Chairman	905,691
Rev. Eric Boakye-Yiadom	Member	1,128,877
Professor Siaw Frimpong	Member	1,042,606
Mr. Emmanuel Owusu Boakye	Member	833,467
Mr. Kwasi Bempa Esq	Member	483,885

Directors' Interest in Contract

The directors have no interest in contracts entered into by the Bank.

Acknowledgements

Thanks, and appreciation are extended to all of our Shareholders, Staff, and Customers for their continued support for the Bank.

Approval of Financial Statements

The financial statements of Okomfo Anokye Rural Bank PLC were approved by the Board of Directors on 25th April, 2023 and signed on their behalf by:


Emmanuel Owusu-Boakye
Director


Rev. Eric Boakye-Yiadom
Director

25th April, 2023

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31st December, 2022, and of its financial performance, changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act 2019 (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 Act 930.

What we have audited

We have audited the financial statements of Okomfo Anokye Rural Bank PLC for the year ended 31st December, 2022.

The financial statements comprise:

- the statement of comprehensive income for the year then ended;
- the statement of financial position as at 31st December, 2022;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statement, which include a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

This section of our auditor's report is intended to describe the matters selected from those communicated with the directors that, in our professional judgment, were of most significance in our audit of the financial statements. The matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Impairment of Non – Pledged Trading Assets

The Bank has invested Non- Pledged Trading Assets with various fund managers. The investments with Black Shield Fund Management, totaling GHS 572,897 have matured as at 31st December 2022 but repayments have not yet been received. Repayment from the companies have been of a challenge. Due to the significant judgment that is applied by management in determining whether an impairment loss has occurred and in estimating the expected amount and timing of future cash flows, we considered this to be a key audit matter.

Impairment of Loans and advances to customers

The Bank continues to adopt IFRS 9-'Financial instruments', which requires the measurement of expected credit loss allowance for financial assets measured at amortized cost and fair value through other comprehensive income. The Bank reviews its loans and advances for impairment at the end of each reporting period. There are significant judgements made in the areas in applying IFRS 9-Financial Instruments. These include:

- Determining the stage of the financial assets and establishing groups of similar financial assets;
- Determining criteria for significant increase in credit risk;
- Determining the Probability of Default (PD) and Loss Given Default (LGD) and Expected Credit Loss (ECL) for each type of loan.

Due to the significant judgments that are applied by management in determining whether an impairment loss has occurred, we considered this to be a key audit matter.

The Bank is required to compute loan provision in accordance with Bank of Ghana (BOG) prudential guidelines. There is the risk of inappropriate classification of loans and advances in accordance with BOG's guidelines that results in inaccurate loan impairment computations. The Bank is also required to make transfers from retained earnings to regulatory credit risk reserve based on the excess of BOG provision over IFRS impairment. The disclosures relating to impairment of loans and advances to customers are considered important to users of the financial statements given the level of judgement and estimation involved.

How our audit addressed the Key Audit Matter**Loan and Advances**

We evaluated the design and tested the implementation of operating effectiveness of the key controls over the computation of impairment loss provisions. In evaluating the design of controls, we considered the appropriateness of the controls considering the nature and significance of the risk, competence and authority of person(s) performing the control, frequency and consistency with which the control is performed. In performing operating effectiveness of controls, we selected a sample of transactions based on the control frequency to determine whether the control operated throughout the year.

We performed an evaluation of management's key assumptions over the expected credit loss model (ECL), including the probability of default (PD) and the loss given default (LGD). We challenged the management's staging of financial assets in the ECL module and tested facilities to ensure they have been included in the correct stage. We tested the underlying data behind the determination of the probability of default by agreeing same to underlying supporting documentation. We found that the assumptions used by management were comparable with historical performance and have been assessed as reasonable.

We further tested the disclosures to ensure that the required disclosures under IFRS 9 have been appropriately disclosed.

We further assessed as appropriate the classification of the Bank's loans and advances impairment provision in accordance with Bank of Ghana prudential guidelines and the transfer of any excess provision over the IFRS computed provision to the regulatory Credit Risk Reserve account.

Non-Pledged Trading Assets

We challenged the management's staging of the impaired non-pledged trading assets in the ECL module and tested facilities to ensure they have been included in the correct stage. We found that the assumptions used by management in estimating the expected amount and timing of future cash flows of the matured investments based on the assurance from the government and other discount houses involved to be fair and reasonable.

Other Information

The directors are responsible for the other information. The other information comprises the Report of the Directors, Chairman's Statement, Corporate Governance Report and Shareholders' Information but does not include the financial statement and our auditors report thereon, which we obtained prior to the date of this auditor's report and the Chairman's Statement, which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not, and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chairman's Statement, if we conclude that there is material misstatement therein, we are expected to communicate with those charged with governance.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs), and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit Taking Institutions Act, 2016, (Act 930), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors;
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Companies Act, 2019 (Act 992)

The Companies Act, 2019, (Act 992) requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion proper accounting records have been kept by the Bank so far as appears from our examination of those records, and
- iii) The Statement of Financial Position and Statement of Comprehensive Income of the Bank are in agreement with the accounting records.
- iv) The financial statements give a true and fair view of the state of affairs of the Bank and its results for the year under review
- v) We are independent of the Bank in accordance with section 143 of the Companies Act, 2019 (Act 992)

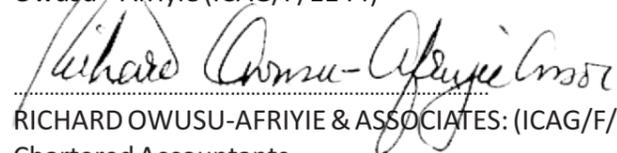
Banks and Specialised Deposit-Taking Act, 2016 (Act 930)

The Banks and Specialized Deposit Taking Institutions Act, 2016, Act 930, require that we state certain matters in our report.

We hereby state that:

- i) The financial statements give a true and fair view of the state of affairs of the Bank and its results for the year under review.
- ii) We were able to obtain all the information and explanation required for the efficient performance of our duties as auditors.
- iii) The Bank's transactions are within its powers.
- iv) The Bank has generally complied with the provisions of the Anti-Money Laundering Act, 2020, Act 1044, the Anti-Terrorism Act, 2008 (act 762) and the Regulations made under these enactments.
- v) The Bank has generally complied with the provisions of the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930)

The engagement partner on the audit resulting in this independent auditor's opinion is Dr. Richard Owusu-Afriyie (ICAG/P/1144)



RICHARD OWUSU-AFRIYIE & ASSOCIATES: (ICAG/F/2023/084)

Chartered Accountants

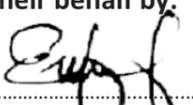
House of Grace, Adum, Kumasi

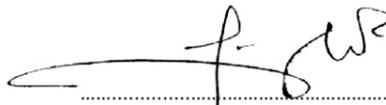
25th April, 2023

	(NOTES)	2022 GHS	2021 GHS
Interest Income	(7)	20,860,686	14,780,306
Interest Expense	(8)	(2,610,617)	(2,084,828)
Net Interest Income		18,250,069	12,695,478
Commissions and Fees	(9)	2,134,884	1,368,457
Other Operating Income	(10)	934,628	736,537
Total Income		21,319,581	14,800,472
Net Impairment loss on Investment Securities	(11)	(2,420,889)	(672,896)
Net Impairment loss on Loans and Advances		(295,365)	(291,803)
Personnel Cost	(12)	(10,087,718)	(7,672,360)
Depreciation and Amortisation	(13)	(825,974)	(709,497)
Other Operating Expenses	(14)	(5,794,285)	(4,124,529)
Net Operating Profit Before Taxation		1,895,350	1,329,387
Income Tax Expense	(15 iii)	(520,059)	(322,765)
Deferred Tax Credit	(15 i)	151,001	42,550
Profit for the year		1,526,292	1,049,172
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		1,526,292	1,049,172
Basic and diluted earnings per share		0.017	0.012

	(NOTES)	2022 GHS	2021 GHS
ASSETS			
Cash and Balances with ARB Apex Bank	(16)	25,504,370	7,758,101
Due from Other Banks	(17)	3,451,215	1,483,106
Non- Pledged Trading Assets	(18)	60,727,532	50,695,493
Loans and Advances	(19)	38,624,550	32,402,228
Investments - (Long Term)	(20)	61,971	61,971
Other Assets Accounts	(21)	2,639,529	2,254,850
Intangible Assets	(22)	437,635	445,850
Right of Use Assets	(23)	1,686,121	1,928,178
Property & Equipment	(24)	4,048,874	3,782,407
Deferred Tax Asset	(15 v)	600,275	525,869
TOTAL ASSETS		137,782,072	101,338,053
LIABILITIES			
Deposits and Current Accounts	(25)	124,264,551	93,485,214
Loans from Other Financial Institutions	(26)	1,924,533	-
Interest Payable and Other Liabilities	(27)	5,600,805	3,298,890
Current Corporate Tax Liabilities	(15 iii)	20,059	119,935
Deferred Tax Liability	(15 v)	317,170	393,767
Other Liabilities		13	13
TOTAL LIABILITIES		132,127,131	97,297,819
SHAREHOLDERS FUNDS			
Stated Capital	(28)	1,584,159	1,495,459
Retained Earnings	(29)	1,582,512	519,964
Capital Surplus	(30)	265,281	265,281
Statutory Reserve Fund	(31)	1,652,817	1,271,244
Credit Risk Reserve	(32)	77,307	71,451
Dividend Fund	(33)	281,685	281,970
Social Responsibility Fund	(34)	76,601	286
Impaired Investment Fund	(35)	134,579	134,579
TOTAL SHAREHOLDERS FUNDS		5,654,941	4,040,234
TOTAL SHAREHOLDERS FUNDS AND LIABILITIES		137,782,072	101,338,053

The financial statements were approved by the directors on 25th April ,2023 and were signed on their behalf by:


Emmanuel Owusu-Boakye
Director


Rev. Eric Boakye-Yiadom
DIRECTOR

STATEMENT OF EQUITY CHANGES FOR THE YEAR ENDED 31ST DECEMBER 2022

	2022	2021
Balance as at 1 Jan	1,483,759	1,495,459
Profit for the Year	-	-
Share Purchases	11,700	88,700
Transfer (to) / from:		
Statutory Reserve	-	381,573
Social Responsibility Fund	-	(76,315)
Credit Risk Movement	-	(5,856)
Fund Utilisation	-	(285)
Balance as at 31 Dec	1,584,159	1,584,159
Balance as at 1 Jan	1,483,759	1,495,459
Profit for the Year	-	-
Share Purchases	11,700	88,700
Transfer to:		
Statutory transfer	-	262,293
Credit Risk Movement	-	103,006
Fund Applied	-	(134,579)
Balance as at 31 Dec	1,495,459	1,495,459

	2022 GHS	2021 GHS
CASH INFLOWS FROM OPERATING ACTIVITIES		
Profit Before Taxation	1,895,350	1,329,387
Depreciation and Amortisation	825,974	709,497
Impairment Loss on Loans & Advances	295,365	291,803
Profit on Disposal	-	(1,910)
Profit before Changes in Working Capital	3,016,689	2,328,776
CHANGES IN OPERATING ASSETS AND LIABILITIES		
Changes in Non- Pledged Trading Assets	(10,032,039)	(11,014,610)
Changes in Loans & Advances to Customers	(6,517,687)	(4,310,403)
Changes in Other Assets Accounts	(384,679)	713,618
Changes in Customers Deposits	30,779,336	11,568,002
Changes in Interest Payable and Other Liabilities	2,301,915	792,967
	19,163,535	78,350
Tax Paid	(619,935)	(96,775)
Net cash from Operating Activities	18,543,600	(18,425)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment & Payment for Right of Use Assets	(806,129)	(831,110)
Purchase of Intangible Asset	(47,041)	-
Proceeds from Sale of Property and Equipment	11,000	207,612
Dividend Paid	(285)	(1,052)
Net cash used in Investing Activities	(842,455)	(624,550)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of Shares	88,700	11,700
Changes in Borrowed Funds	1,924,533	(24,000)
Net cash Used in Financing Activities	2,013,233	(12,300)
Net Increase in Cash and Cash Equivalents	19,714,378	(655,275)
Cash and Cash Equivalents at Start	12,171,207	12,826,482
Cash and Cash Equivalents at Close	31,885,585	12,171,207
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash on Hand	3,882,206	2,890,323
Cash and Balances with ARB Apex Bank-5% Deposit	5,358,643	4,593,450
- Current	1,163,521	274,328
Balances with Other Banks	3,451,215	1,483,106
ACOD	15,100,000	-
91 Days Treasury Bills	2,930,000	2,930,000
	31,885,585	12,171,207

1. General information

Okomfo Anokye Rural Bank PLC is a limited liability Banking corporated under the Companies Act, 1963, Act 179 (now repealed and replaced by the Companies Act, 2019, Act 992) on 18th January, 1983, and domiciled in Ghana. The Bank is licensed by the Bank of Ghana (BOG) to receive deposits from and grant loans to customers and also provide any other service ancillary to financial services allowed by the regulator.

The address of its registered office is Wiamoase, opposite the Market, Okomfo Anokye, and a Postal Address of P.O. Box 13, Wiamoase, Ashanti Region, Ghana. The Bank provides a wide range of services to a substantial and diversified client base that includes other financial institutions, businesses, government and public corporations and individuals.

2. Basis of Preparation of Financial Statements**2.1 Statement of Compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies Act, 2019, (Act 992) and the Banks and Specialized Deposit Taking Institutions Act, 2016, (Act 930).

2.2 Basis of Measurement

The financial statements have been prepared on a historical cost convention, except for the measurement of available-for-sale financial assets that are measured at fair value.

Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

Fair value is the price that will be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Bank takes into account the characteristics of the asset or liability if market participants will take those characteristics into account when pricing the asset or liability at the measurement date.

2.3 Functional and presentation currency

The financial statements are presented in Ghana cedi which is the Bank's functional and presentation currency. Except otherwise indicated, the financial information presented has been rounded off to the nearest one Ghana cedi.

2.4 Use of estimates and Judgement

The preparation of financial statements in conformity with IFRS required management to make judgement, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be under reasonable circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

2.5 Income and Statement of cash flows

The Bank has elected to present a single statement of profit or loss and other comprehensive income and presents its expenses by function of expense method.

The Bank reports cash flows from operating activities using the indirect method. Interest received is presented within operating cash flows; interest paid is presented within operating cash flows.

3. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

3.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific recognition criteria apply in revenue recognition.

Revenue includes interest income, commissions and fees, gain on disposal of securities and financial advisory fees.

a) Interest Income and Expenses

Interest income and expense are recognised within “finance incom” and “finance costs” in profit or loss using the effective interest rate method, except for borrowing costs relating to qualifying assets, which are capitalized as part of the cost of that asset.

The Bank has chosen to capitalize borrowing costs on all qualifying assets irrespective of whether they are measured at fair value or not.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, pre-payment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

b) Fees and Commission

Fees and commission are generally recognized on accrual basis. Fees and commission fee including advisory fees, transfer commission, facility and processing fees and syndication fees are recognised as the related services are performed. Fees and commission arising from negotiating or participating in a transaction on behalf of a third party are recognised upon completion of the underlying transaction.

c) Other income

Other incomes are recognised as and when they are earned.

d) Dividends income

Revenue is recognized when the Bank's right to receive the payment is established (provided that it is probable that the economic benefits will flow to the Bank and the amount of income can be measured reliably).

e) Right of Use

Payments for office rent are recognised in profit or loss on a straight-line basis over the term of the lease after discounting it over the lease period. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3.2 General and Administrative expenses

Expenses include legal, accounting, auditing and other fees. They are recognised in profit or loss in the period in which they are incurred (on an accruals basis).

3.3 Employee Benefits

The Bank contributes to two defined contribution schemes (Social Security Fund and Provident Fund) on monthly basis on behalf of employees and the last month outstanding contribution is included in creditors and accruals.

I. Social Security and National Insurance Trust (SSNIT)

Under a National Deferred Benefits Pension Scheme, the Bank contributes 13% of employees' basic salary in addition to 5.5% deduction from employees' basic salary to SSNIT for employee pensions.

II. Provident Fund

The Bank has a provident fund scheme for all employees who have completed probation with the Bank. Employees contribute 5% of their basic salary to the fund whilst the Bank contributes 7.5%. The obligation under the plan is limited to the relevant contribution and these are settled on due dates

III. Termination Benefits

Termination benefits are recognised as an expense when the Bank is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date.

iv. Short-Term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.4 Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and Bank overdrafts.

Cash and cash equivalents are carried at amortised cost or fair values in the statement of financial position depending on the business model for managing the asset or the cash flow characteristics of the asset.

3.5 Intangible Assets**a) Initial recognition**

Intangible assets that are acquired by the Bank and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment charges.

b) Subsequent measurement

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including internally generated goodwill, is written off in profit or loss as incurred.

c) Amortisation

Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date they are available for use.

The annual amortization rate for the current and comparative years is as follows:

- Computer Software User license and Microsoft Software Products : 25%

3.6 Property, Plant and Equipment

All Property, Plant and Equipment (PPE) is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items and where applicable borrowing costs.

Cost of an item of PPE includes its purchase price and any direct attributable costs. Cost includes the cost of replacing part of an existing PPE at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an item of PPE.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognized. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation

Depreciation, based on a component approach, is calculated using the straight-line method to allocate the cost over the assets estimated useful lives, as follows:

Assets	Estimated Useful Lives
Office Furniture and Equipment	7 years
Building	50 years
Leasehold Improvement	10 years
Motor Vehicles	5 years
Computers and Accessories	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at least at each financial year end.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the statement of profit or loss.

3.8 Impairment of non-financial assets

Assets that have an indefinite useful life - for example, goodwill - are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment losses on goodwill are not reversed.

1.2 Financial Assets and Liabilities**i) Recognition**

The Bank initially recognises loans and advances, deposits and debts securities issued on the date that they are originated. All other financial assets and liabilities (including asset and liabilities designated fair value through profit or losses are initially recognised on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

ii) De-recognition

The Bank de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial assets in a financial transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial asset that is created or retained by the Bank is recognised as a separate asset or liability.

The Bank de-recognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Bank enters into transactions whereby it transfers assets recognised on its Statement of Financial Position, but retains all risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not de-recognised from the balance sheet. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

iii) Offsetting

Financial assets and liabilities are set off and the net amount presented in the financial position when and only when the Bank has a legally enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from similar transactions.

iv) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

v) Fair value measurement

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets. For all other financial markets or for all other financial instruments fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist and valuation models.

vi) Identification and measurement of impairment

At each reporting date the Bank assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset and that loss event has an impact on the future cash flows on the asset that can be estimated reliably.

The Bank considers evidence of impairment at both an individual and collective level. All individual significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment by grouping other financial assets (carried at amortised cost) with similar risk characteristics.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Bank on terms that the Bank would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers, or economic conditions that correlate with defaults in the group. In assessing collective impairment, the Bank uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for managements judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate. Impairment losses are assets carried at amortised costs are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and advances. Interest on the impaired assets continues to be recognised on the unimpaired portion through the unwinding of the discount.

When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through profit or loss. Impairment losses on available-for-sale investment securities are recognised by transferring the difference between the amortised acquisition cost net of any principal repayment and amortisation and current fair value, less any impairment loss previously recognised in profit or loss out of equity to profit or loss. When a subsequent event that can be related to the event causes the amount of impairments loss on an available-for-sale debt security to decrease, the impairment loss is reversed through profit or loss, otherwise, the decrease is recognised through SOCI.

However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised directly inequity. Changes in impairment provisions attributable to time value are reflected as a component of inters income.

vii) Designation at fair value through profit or loss

The Bank has designated financial assets and liabilities at fair value through profit or loss when either:

- the assets or liabilities are managed, evaluated and reported internally on a fair value basis;
- the designation eliminated or significantly reduces an accounting mismatch which would otherwise arise or;
- the asset or liability contains an embedded derivative that significantly modifies the cash flows would otherwise be required under the contract.

The notes set out the amount of each class of financial asset or liability that has been designated at fair value through profit or loss. A description of the basis for each designation is set out in the note for the relevant asset or liability class.

3.8 Trading Assets and Liabilities

Trading assets and liabilities are those assets and liabilities that the Bank acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking.

Trading assets and liabilities are initially recognised and subsequently measured at fair value in the statement of financial position with transaction costs taken directly to profit or loss. All changes in fair value are recognised as part of net trading income in profit or loss. Trading assets and liabilities are not reclassified subsequent to their initial recognition.

3.9 Loans and Advances

Loans and Advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not intend to sell immediately or in the near term. When the Bank is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee, the financial asset is recognised within loans and advances. When the Bank purchases a financial asset under a commitment to sell the asset (or a substantially similar asset) at a fixed price on a future date (“reverse repo or stock borrowing”), the financial asset is accounted for as a loan, and the underlying asset is not recognised in the Bank financial statements. Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method, except when the Bank chooses to carry the loans and advances at fair value through profit or loss as described in accounting policy.

3.10 Investment Securities

Investment securities are initially measured at fair value plus incremental direct transaction costs and subsequently accounted for depending on their classification as either hold-to-collect, hold-to-sell or hold-to-collect and sell.

(i) Hold-to-collect

Hold-to-collect investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold to collect, and which are not designated at hold to sell or hold to collect and sell. Hold-to-collect investments are carried at amortised cost using the effective interest method. It must be noted that IFRS 9 only considers fair value and amortised cost based on the business models for managing the financial asset and the contractual cash flow characteristics of the financial asset. Thus, all hold to collect assets is classified as amortised costs.

(i) Hold to sell

The Bank carries some investment securities at fair value, with fair value changes recognised immediately in profit or loss as described in the accounting policy.

(ii) Hold to collect and sell

Hold to collect and sell investments is non-derivative investments that are not designated as another category of financial assets. Unquoted equity securities whose fair value cannot be reliably measured are carried at amortised cost. All other hold to collect and sell investments are varied at fair value. Other fair value changes are recognised directly in equity until the investment is sold or impaired and the balance in equity is transferred to profit or loss.

3.11 Pre-payment

Pre-payments are carried at cost less any accumulated impairment losses.

3.12 Stated Capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

3.13 Earnings Per Share

The Bank presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the number of shares existing as at 31st December. Diluted EPS is determined by the number of shares existing at the end of December.

3.14 Dividend

Dividend distribution to the Bank's shareholders is recognized as a liability in the Bank's financial statements in the period in which the dividends are declared. Dividend receivable from unquoted investments is recognised when the bank's right to receive the dividend is established.

3.15 Income Tax Expense

The income tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income or equity - in which case, the tax is also recognised in other comprehensive income or equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position in Ghana where the Bank operates. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The carrying value of the Bank's investment property is assumed to be realised by sale at the end of use.

The capital gains tax rate applied is that which would apply on a direct sale of the property recorded in the statement of financial position regardless of whether the Bank would structure the sale via the disposal of the subsidiary holding the asset, to which a different tax rate may apply. The deferred tax is then calculated based on the respective temporary differences and tax consequences arising from recovery through sale.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Bank and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3.16 Provisions

- Provisions for legal claims are recognised when:
- The Bank has a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation; and
- The amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

Where the Bank, as lessee, is contractually required to restore a leased property to an agreed condition prior to release by a lessor, provision is made for such costs as they are identified.

3.17 Borrowings (Liabilities to Banks and Customers)

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method, any differences between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings. Borrowings and other forms of financial liabilities shall be de-recognised from the books only when they are extinguished, that is when the obligation specified in the contract is discharged or cancelled or expired.

3.18 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss for the year.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents, unless they are capitalized, are presented net in the statement of profit or loss within finance costs and finance income respectively.

4. Quantitative Disclosures

	2022	2021
Capital Adequacy Ratio	8.46%	6.64%
Non-Performing Loans Ratio	5.05%	5.30%
Loan Loss Provision	5.19%	5.32%
Liquid Assets to Total Assets	65.09%	59.41%
Twenty (20) largest exposure to total exposure	14.37	13.84%
Ten (10) largest depositors to total deposit ratio	7.38	9.05%
Sanctions by Bank of Ghana	Nil	1

5. Critical accounting judgements and key sources of estimation uncertainties

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors. Estimates and assumptions are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.1 Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and management judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Bank establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the Bank and the tax authority.

Deferred tax assets are recognised for all unutilised capital allowances to the extent that it is probable that taxable profit will be available against which the capital allowances can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(b) Fair value of non-derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Bank uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

5.2 Critical judgements in applying the Bank's accounting policies

In the process of applying the Bank's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Useful economic life of Property, Plant and Equipment

To a large extent, the Bank financial statements are based on estimates, judgements and models rather than exact depictions of reality. Providing relevant information about the Bank's Property, plant and equipment requires estimates and other judgements. This includes measuring the cost of an item of property, plant and equipment, including those that are self-constructed. The subsequent allocation of depreciation involves further judgements and estimates including:

- allocating the cost of the asset to particular major components;
- determining the most appropriate depreciation method;
- estimating useful life; and estimating residual value.

6. Application of new and revised International Financial Reporting Standards (IFRSs)

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replace IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments: classification and measurement impairment and hedge accounting. It is effective for annual periods beginning on or after 1 January, 2018 with early application permitted. The Bank adopted this standard effective 1 January, 2018 and will not restate comparative information or apply it retrospectively.

i) Classification and measurement

The Bank does not expect a significant impact on its statement of financial position or equity in applying the classification and measurement requirements of IFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value.

ii) Impairment

IFRS 9 requires the Bank to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Bank applies the general approach and calculates expected losses on all its instruments.

Impairment Loss Schedule –2022

	Stage 1 12-Months ECL	Stage 2 Lifetime ECL Non-credit impaired	Stage 3 Lifetime ECL Credit impaired	Total
Impairment Loss Classification per IFRS 9	GHS	GHS	GHS	GHS
Loan Loss Allowance	290,171	4,153	1,821,636	2,115,960
Impairment per BOG Guidelines				<u>2,193,267</u>
Transfer to Credit Risk Reserve				<u>(77,307)</u>

Impairment Loss Schedule –2021

	Stage 1 12-Months ECL	Stage 2 Lifetime ECL Non-credit impaired	Stage 3 Lifetime ECL Credit impaired	Total
Impairment Loss Classification per IFRS 9	GHS	GHS	GHS	GHS
Loan Loss Allowance	268,869	160,419	1,391,307	1,820,595
Impairment per BOG Guidelines				<u>1,892,046</u>
Transfer to Credit Risk Reserve				<u>(71,451)</u>

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board has established the Audit, Finance and Credit Committees which are responsible for developing and monitoring the Bank's management policies in their specified areas.

	2022 GHS	2021 GHS
7. INTEREST INCOME		
Interest on Loans and Advances	13,345,904	9,919,722
Interest on Investments	7,514,782	4,860,584
	20,860,686	14,780,306
8. INTEREST EXPENSE		
Interest on Time & Other Deposits	2,518,450	2,061,570
Interest on Borrowings	92,167	23,258
	2,610,617	2,084,828
9. COMMISSIONS AND FEES		
Commitment Fees	2,105,923	1,306,121
Commissions Received	28,961	62,336
	2,134,884	1,368,457
10. OTHER OPERATING INCOME		
Western Union	40,432	30,135
Salary Service Charge	459,299	347,456
Sundry Income	434,897	358,946
	934,628	736,537
11. NET IMPAIRMENT LOSS ON INVESTMENT SECURITIES		
Impairment of Loss on Treasury Bills	207,451	-
Impairment of Loss on Other Investment Securities	2,213,438	672,896
	2,420,889	672,896
12. PERSONNEL COST		
Salaries and Wages	5,148,971	4,205,355
Social Security Contribution (13%)	659,993	536,675
Provident Fund Contribution (7.5%)	326,768	272,414
Medical Expenses	204,356	19,964
Staff Allowance	597,591	420,129
Long Service Award	27,502	52,220
End of Service Benefits	234,088	172,613
Staff Training Expenses	34,396	43,387
Annual Bonus	776,868	648,582
Other Staff Cost	1,576,411	899,743
Clothing Allowance	500,774	401,278
	10,087,718	7,672,360
The average number of persons employed by the Bank during the year ended 31 December 2022 was 238 (2021: 216)		
13. DEPRECIATION & AMORTISATION		
Property, Plant & Equipment (Note 24)	523,261	409,862
Intangible Assets (Note 22)	55,256	50,292
Right of Use Assets (Note 23)	247,457	249,343
	825,974	709,497

	2022 GHS	2021 GHS
14. OPERATING EXPENSES		
Occupancy Cost	736,235	577,876
General & Administrative Expenses	5,058,050	3,546,653
	5,794,285	4,124,529
14a. DIRECTORS' EMOLUMENTS	321,173	257,760
Sitting Allowance	68,832	52,564
Retiring Benefits	-	33,648
Directors Travelling and Transport	217,298	96,679
Fees	-	24,600
Directors Training	35,043	50,269
14b. GENERAL & ADMINISTRATIVE EXPENSES: include		
Auditors Remuneration /Fees	55,800	41,943
Fees	50,000	35,496
Audit Expenses	5,800	6,447
15. INCOME TAX		
15 i. Income tax expense		
The major tax expense components of income tax expense for the years ended 31 December 2022 and 2021 are:		
Statement of profit or loss		
Current income charge	520,059	322,765
	520,059	322,765
Deferred tax charge / (credit)	(151,003)	(42,550)
Income tax reported in the statement of profit or loss	369,056	280,215
15 ii. Reconciliation of Effective Tax		
The tax on the Bank's profit before tax differs from the theoretical amount that would arise using the statutory tax rate on the applicable profit as follows:		
Accounting profit before income tax	1,895,350	1,329,387
Statutory income tax rate of 25% (2021: 25%)	473,837	332,347
Non- deductible expenses for tax purposes	236,254	455,815
Effect on non-chargeable income	54,325	(15,715)
Effect on capital allowance utilised	(244,358)	(449,682)
Change in recognised temporary differences	(151,003)	(42,550)
Income tax reported in the statement of profit or loss	369,056	280,215
Effective tax rate	19.47	21.08

Year of Assessment	Balance as at Jan 1	(Over) / Under Prov. In Prior Years	Payments During the Year	2022	2021
				GHS	GHS
	GHS	GHS	GHS	Provision for the Year	Balance as at Dec 31
2018	(19,199)	-	(131,250)	190,400	39,951
2019	39,951	-	(18,750)	-	21,201
2020	21,201	11,172	(138,428)	-	(106,055)
2021	(106,055)	-	(96,775)	322,765	119,935
2022	119,935	-	(619,935)	520,059	20,059

The tax computation (Charge for the year) is subject to agreement with the Domestic Tax Revenue Division of Ghana Revenue Authority.

15 iv. The movement on the deferred tax account is as follows:

Balance at January 1	(132,102)	(89,552)
Origination / reversal of temporary differences: recognised in the statement of profit or loss (Note 15i)	(151,003)	(42,550)
Balance at December 31	(283,105)	(132,102)

15 v. Recognised deferred tax liabilities and assets are as follows:

Deferred Tax Assets	(600,275)	(525,869)
Deferred Tax Liability	317,170	393,767
Net Deferred Tax Assets	(283,105)	(132,102)

16. CASH & BALANCES WITH ARB APEX BANK

Cash on Hand	3,882,206	2,890,323
Balances with ARB Apex Bank - 5% Apex Deposit	5,358,643	4,593,450
- Current	1,163,521	274,328
ACOD	15,100,000	-
	25,504,370	7,758,101

The Balances held with ARB Apex Bank includes a mandatory 5% reserve deposit of GHS 5,358,643 (2021: GHS 4,593,450) which is not available for use in the Bank's day to day operations. Cash on Hand and Balances with ARB Apex Bank are non - interest bearing.

17. BALANCES WITH OTHER BANKS

UBA and Others Banks	3,451,215	1,483,106
	3,451,215	1,483,106

18. NON - PLEDGED TRADING ASSETS

These are made up of:
 Government Securities
 Money Placement With Discount Houses

Less : Impairment Charge

19. LOANS AND ADVANCES
(a) Analysis by type of Product

Loans
 Overdraft

Less: Impairment charge

(b) Analysis by Business Segment

Agriculture
 Trading
 Cottage
 Transport
 Others

Less: Impairment charge

(c) Analysis by Type of Customer

Individual
 Private Enterprises
 Public Enterprises
 Others

Less: Impairment charge

**(d) Impairment Charges /Allowances
 Individual allowances for impairment**

Balance at 1 January
 Impairment loss for the year:
 (Over)/Under Charge for the year

Balance at 31 December

(e) Bank of Ghana Provisions

Balance at 1 January
 Impairment charge for the year

Balance at 31 December

	2022 GHS	2021 GHS
Government Securities	48,912,087	38,762,087
Money Placement With Discount Houses	14,909,230	12,606,302
	63,821,317	51,368,389
Less : Impairment Charge	(3,093,785)	(672,896)
	60,727,532	50,695,493
(a) Analysis by type of Product		
Loans	36,153,173	29,239,332
Overdraft	4,587,337	4,983,491
	40,740,510	34,222,823
Less: Impairment charge	(2,115,960)	(1,820,595)
	38,624,550	32,402,228
(b) Analysis by Business Segment		
Agriculture	535,401	400,782
Trading	23,549,574	21,310,284
Cottage	568,402	490,049
Transport	582,515	493,162
Others	15,504,618	11,528,546
	40,740,510	34,222,823
Less: Impairment charge	(2,115,960)	(1,820,595)
	38,624,550	32,402,228
(c) Analysis by Type of Customer		
Individual	29,544,569	24,541,938
Private Enterprises	2,222,325	1,383,712
Public Enterprises	1,547,919	1,069,134
Others	7,425,697	7,228,040
	40,740,510	34,222,823
Less: Impairment charge	(2,115,960)	(1,820,595)
	38,624,550	32,402,228
(d) Impairment Charges /Allowances Individual allowances for impairment		
Balance at 1 January	1,820,595	1,528,792
Impairment loss for the year: (Over)/Under Charge for the year	295,365	291,803
Balance at 31 December	2,115,960	1,820,595
(e) Bank of Ghana Provisions		
Balance at 1 January	1,892,046	1,703,251
Impairment charge for the year	301,221	188,795
Balance at 31 December	2,193,267	1,892,046

20. INVESTMENTS (LONG-TERM)

 This is made up of:
 Shares in ARB APEX Bank Ltd.

	2022 GHS	2021 GHS
	61,971	61,971
	61,971	61,971

21. OTHER ASSET ACCOUNTS

 Interest and Commission Receivable
 Insurance Prepaid
 Stationary Stock
 Office Account

Interest and Commission Receivable	2,421,443	1,882,762
Insurance Prepaid	5,716	6,585
Stationary Stock	191,814	166,626
Office Account	20,556	198,877
	2,639,529	2,254,850

22. INTANGIBLE ASSETS
Software
COST

 Balance as at 1 Jan
 Additions during the year
 Disposal
Balance as at 31 Dec

Balance as at 1 Jan	583,469	784,070
Additions during the year	47,041	-
Disposal	(53,388)	(200,601)
Balance as at 31 Dec	577,122	583,469

AMORTISATION

 Balance as at 1 Jan
 Amortisation for the year
 Disposal
Balance as at 31 Dec

Balance as at 1 Jan	137,619	287,928
Amortisation for the year	55,256	50,292
Disposal	(53,388)	(200,601)
Balance as at 31 Dec	139,487	137,619

Net Book Value - 31 Dec

	437,635	445,850
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This Intangible Assets relate to the purchase of T 24 Software User License and Microsoft Software Products.

23. RIGHT OF USE ASSETS
COST

 Balance as at 1 Jan
 Additions during the year
 Balance as at 31 Dec

Balance as at 1 Jan	2,427,030	2,400,450
Additions during the year	5,400	26,580
Balance as at 31 Dec	2,432,430	2,427,030

DEPRECIATION

 Balance as at 1 Jan
 Charge for the year the year
 Balance as at 31 Dec
 Carry Value - 31 Dec.

Balance as at 1 Jan	498,852	249,509
Charge for the year the year	247,457	249,343
Balance as at 31 Dec	746,309	498,852
Carry Value - 31 Dec.	1,686,121	1,928,178

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST DECEMBER, 2022 (Cont)

24. PROPERTY & EQUIPMENT	2022	Land GHS	Building GHS	Capital Work in Progress GHS	Leasehold Improvement GHS	Equipment, Furniture & Fittings GHS	Motor Vehicle GHS	Computers & Accessories GHS	Investment Property GHS	Fully Depreciated Assets GHS	Total GHS	2021
Additions during the year		-	290,749	-	62,314	379,273	26,986	41,407	-	-	-	-
Transfer		-	(231,456)	-	231,456	(311,610)	-	(186,743)	(11,000)	-	(740,809)	-
Disposal		-	-	-	(231,456)	-	-	-	-	-	-	-
Balance as at 31/12/22		172,284	1,453,020	-	1,206,851	1,758,115	684,391	342,434	291,402	863,045	6,771,542	2,929,215
DEPRECIATION												
Balance as at 1/1/22		-	143,848	-	515,851	857,056	256,158	293,257	-	863,045	2,929,215	523,262
Charge for the year		-	24,347	-	107,697	188,041	128,938	74,239	-	-	523,262	(729,809)
Disposal during the year		-	-	-	(231,456)	(311,610)	-	(186,743)	-	-	(729,809)	-
Balance as at 31/12/22		-	168,195	-	392,092	733,487	385,096	180,753	-	863,045	2,722,668	4,048,874
NET BOOK VALUE-31/12/22		172,284	1,284,825	-	814,759	1,024,628	299,295	161,681	291,402	-	4,048,874	6,114,406
COST												
Balance as at 1/1/2021		143,684	1,082,616	-	1,140,287	1,576,754	469,249	420,369	418,402	863,045	6,114,406	804,530
Addition during the year		28,600	400,813	-	4,250	113,698	188,156	69,013	-	-	804,530	(207,314)
Disposal		-	(89,702)	-	-	-	-	(1,612)	(116,000)	-	(207,314)	-
Disposal / Transfer during the year		-	-	-	-	-	-	-	-	-	-	-
Balance as at 31/12/2021		172,284	1,393,727	-	1,144,537	1,690,452	657,405	487,770	302,402	863,045	6,711,622	2,520,965
DEPRECIATION												
Balance as at 1/1/2021		-	116,510	-	445,535	709,994	155,846	230,035	-	863,045	2,520,965	409,862
Charge for the year		-	27,338	-	70,316	147,062	100,312	64,834	-	-	409,862	(1,612)
Disposal/ Transfer during the year		-	-	-	-	-	-	(1,612)	-	-	(1,612)	-
Balance as at 31/12/2021		-	143,848	-	515,851	857,056	256,158	293,257	-	863,045	2,929,215	3,782,407
NET BOOK VALUE-31/12/21		172,284	1,249,879	-	628,686	833,396	401,247	194,513	302,402	-	3,782,407	

25. DEPOSITS AND CURRENT ACCOUNTS
(a) Analysis by Type of Deposits

	2022 GHS	2021 GHS
Current Accounts	27,260,357	16,851,773
Savings Accounts	42,539,651	32,382,253
Time Deposits	17,346,832	16,261,246
Susu Deposits	37,117,711	27,989,942
	124,264,551	93,485,214

(b) Analysis by Type of Customer

	2022 GHS	2021 GHS
Individuals	75,340,540	54,482,811
Other Private Enterprise	11,806,300	11,012,460
Other Deposit Susu	37,117,711	27,989,943
	124,264,551	93,485,214

26. LOANS FROM OTHER FINANCIAL INSTITUTION

	2022 GHS	2021 GHS
ARB Apex Bank	1,333,333	-
REP	591,200	-
	1,924,533	-

This represents Short - Term loans the Bank took from ARB Apex Bank and REP for its operations

27. INTEREST PAYABLE AND OTHER LIABILITIES

	2022 GHS	2021 GHS
Interest and Bills Payable	4,604,383	1,947,346
Sundry Creditors	825,979	1,144,608
Office Account	102,493	117,403
Accrued Charges	67,950	89,533
	5,600,805	3,298,890

These mainly relate to statutory payables and other account payables. These are settled in the normal course of business with no overdue balance.

28. STATED CAPITAL

	Number	Number
i) Authorised Ordinary Shares of No Par Value	5,000,000,000	5,000,000,000
ii) Issued Preference Shares of No Par Value	125,000	125,000
iii) Issued Ordinary Shares of No Par Value	88,609,756	84,174,756
	GHS	GHS
iv) Proceeds Issued for Cash-Ordinary Shares	1,308,398	1,219,698
v) Proceeds from Bonus issues	275,761	275,761
	1,584,159	1,495,459

vi) There is no unpaid Liability on any share and there is no share in Treasury

29. RETAINED EARNINGS

	2022 GHS	2021 GHS
Balance as at 1 January	519,964	(235,342)
Profit for the year	1,526,292	1,049,172
	2,046,256	813,830
Transfers (to)/from:		
Impaired Investment Fund	-	(134,579)
Social Responsibility Fund	(76,315)	(262,293)
Statutory Reserve Fund	(381,573)	103,006
Credit Risk Reserve	(5,856)	
	1,582,512	519,964

Balance as at 31st December
Per Statement of Financial Position

This represents the residual of cumulative annual profits.

The Movement in the retained earnings account is shown as part of the statement of changes in equity.

30. CAPITAL SURPLUS

This represents revaluation of the head office building	265,281	265,281
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31. STATUTORY RESERVE FUND

Balance at 1 January	1,271,244	1,008,951
Add: Transfer from Retained Earnings	381,573	262,293
Balance as at 31 December	1,652,817	1,271,244

Under Section 34 of the Banking and Specialized Deposit - Taking Institution Act 2016 (Act 930) the Bank has transferred the prescribed 25% of the net profit

32. CREDIT RISK RESERVE

Balance at 1 January	71,451	174,457
Movement for the Year	5,856	(103,006)
Balance as at 31 December	77,307	71,451

This represents the excess of the total provisions for loans and advances provision determined in accordance with the Bank of Ghana prudential guidelines over the impairment loss for loans and advances recognised in the statement of comprehensive income under the IFRS Framework.

33. DIVIDEND FUND

Balance at 1 January	281,970	283,022
Add: Transfer from Retained Earnings	-	(1,052)
Less: Fund Applied	(285)	
Balance as at 31 December	281,685	281,970

34. SOCIAL RESPONSIBILITY FUND

Balance at 1 January	286	286
Add: Transfer from Retained Earnings	76,315	-
	76,601	286
Less: Amount Utilized during the year	-	-
Balance as at 31 December	76,601	286

35. IMPAIRED INVESTMENT FUND

Balance at 1 January
Transfer from Retained Earnings
Utilization during the year
Balance as at 31 December

	2022 GHS	2021 GHS
	134,579	-
	-	134,579
	-	
	<u>134,579</u>	<u>134,579</u>

36. EARNINGS PER SHARE**Basic Earnings Per Share**

The calculation of basic earnings per share at 31 December 2022, was based on the profit attributable to ordinary shareholders of GHS 1,526,292 (2021:1,049,172) and number of ordinary shares of 88,609,756 (2021: 84,174,756), calculated as follows:

Profit attributable to ordinary shareholders

Net Profit for the period attributable to equity holders

Weighted average number of ordinary shares

Issued ordinary shares at 1 January

Effect of shares issued as at 31 December

Number of ordinary shares at 31 December

	1,526,292	1,049,172
	84,174,756	83,589,756
	4,435,000	585,000
	<u>88,609,756</u>	<u>84,174,756</u>
	<u>0.017</u>	<u>0.012</u>

Diluted Earnings Per Share

The calculation of diluted earnings per share at 31 December, 2022 was based on the profit attributable to ordinary shareholders of GHS 1,526,292 (2021: GHS 1,049,172) and number of ordinary shares after adjustment for the effects of all dilutive potential ordinary shares of 88,609,756 (2021:84,174,756), calculated as follows:

Profit attributable to ordinary shareholders

Net Profit for the period attributable to equity holders

Weighted average number of ordinary shares

Number of Ordinary Shares (Basic)

Effect of Shares Purchased after 31 December

Number of ordinary shares (Diluted) at 31 December

	1,526,292	1,049,172
	88,609,756	84,174,756
	-	-
	<u>88,609,756</u>	<u>84,174,756</u>
	<u>0.017</u>	<u>0.012</u>

37. DIVIDEND PER SHARE

At the Annual General Meeting to be held in 2023, the directors recommend for approval, the payment of dividend of GHS 336,717.07 for the year ended 31 December, 2022 (2021: Nil) .This is subject to Bank of Ghana approval. The proposed dividend is GHp 0.38 per share on 88,609,756 ordinary shares.

38. Capital Commitments

There were no capital commitments at 31st December, 2022, (2021: Nil).

39. Contingent liabilities

There were no contingent liabilities at 31st December, 2022, (2021: Nil).

40. Country Analysis

All assets and liabilities of the bank are held in Ghana.

41. Related Party Transactions and Balances

A number of transactions are entered into with related parties in the normal course of business. These normally include loans advanced to and deposits from related persons. The disbursements, related outstanding balances and deposits balances at the year-end are as follows:

a. Loans to Directors and Connected Persons

Loans Outstanding as at 31st Dec

	2022 GHS	2021 GHS
	58,429	17,706

b. Loans to Key Management Staff and Connected Persons

Loans Outstanding as at 31st Dec

	2022 GHS	2021 GHS
	669,015	411,708

Interest rate charged on these loans and advances were at commercial rates. The loans granted are secured over property and fixed deposit of the respective persons. No impairment loss has been recorded against balances outstanding during the period with directors and key management personnel. Interest on fixed deposits are the same as applied to other customers of the bank. All transactions with the related parties are priced on arm's length basis and was entered into in the normal course of business.

c. Key Management Emoluments

Salaries and other related costs

	2022 GHS	2021 GHS
	1,437,932	697,778

42. Financial risk management**Introduction and overview**

An organization may be exposed to different types of financial risks depending on the size and complexity of business activities. Okomfo Anokye Rural Bank PLC, however, is generally exposed to:

- | | |
|----------------------|-----------------------------|
| (a) Credit risk | (e) Compliance risk |
| (b) Liquidity risk | (f) Legal risk |
| © Market risk | (g) Reputational risk |
| (d) Operational risk | (h) Capital Management risk |

The Bank's risk management framework, objectives, policies, procedures and processes for identifying, measuring, monitoring and controlling these risks, and regulatory capital management is presented below:

Risk Management Framework

The Board of Directors and Senior Management have developed and established policies and procedures to facilitate effective risk management. These policies and procedures provide guidance on risk appetite/tolerance limit, risk identification, monitoring and control and adherence to set risk limits.

The risk management policies and procedures are continually reviewed to reflect changes in economic and financial landscape as well as products and services offered.

The Board of Directors has the overall responsibility for the establishment and oversight of the Bank's risk management framework. The responsibilities of the Board of Directors include; setting out the Bank's overall risk appetite/tolerance limit, ensuring that the Bank's overall risk exposure is maintained at prudent levels and consistent with available capital. They also include ensuring that Management as well as individuals responsible for Risk Management possess sound expertise and knowledge to accomplish the risk management function and that appropriate policies and procedures for risk management are in place.

The Board's Sub-Committees on Investment and the Management as a whole oversee the implementation of the broad risk management policies and objectives of the Bank.

(a) Credit risk management

Credit risk represents the loss which the Bank would suffer if a customer or counter-party to financial instruments failed to meet its contractual obligations.

Credit Risk stems from outright default due to inability or unwillingness of a client or counterpart to meet commitments in relation to lending, trading settlement and other financial transaction. Resultant losses may result in reduction in receivables portfolio value due to the actual or perceived deterioration in those receivables portfolio quality.

The Bank has established credit policies under which new customers are assessed for credit worthiness before credit is extended to them.

The Investment Committee is responsible for implementing the credit risk policy/strategy, monitoring credit risk on a Bank-wide basis and ensuring compliance with credit limits to be approved by the Board.

Business strategies, policies and procedures for managing credit are determined Bank-wide with specific policies and procedures being adopted for corporate and small and medium-sized enterprises.

Managing problems of Loans and Advances

The Recoveries Unit within the Credit Department manages delinquent facilities including outright recoveries or nursing of such problem Loans back to health.

At delinquent and past due stages, where recovery efforts are unsuccessful, the Bank refers the client to the Bank's Solicitors for legal action to be initiated.

Provisioning for loans and advances

Credit losses are anticipated and charged in the statement of profit or loss on a monthly basis. The balance in the impairment allowance account is always equal to at least the required provisions based on the Bank's current risk rating profile. If the status of the loan worsens, the balance of the provision account is increased by an additional charge against earnings.

In conformity with Bank of Ghana's directives, the minimum provision that are held are as follows;

Credit Risk Rating	Days Past Due	Minimum Prov. Required (%)
Current	Less than 30	1%
OLEM	30 - 90	10%
Sub-standard	91 – 180	25%
Doubtful	181 – 360	50%
Loss	Over 360	100%

		Gross Amt GHS	Impairment GHS	Gross Amt GHS	Impairment GHS
Current	0-30 days	38,509,242	859,886	30,753,154	276,322
Olem	31- 91days	172,463	17,246	1,654,596	165,460
Sub-Standard	91- 180 days	726,242	181,560	215,089	53,772
Doubtful	181 - 360 days	395,976	197,988	406,984	203,492
Loss	> 360 days	936,586	936,586	1,193,000	1,193,000
		40,740,510	2,193,267	34,222,823	1,892,046

Exposure to credit risk

The carrying amount of financial assets represents the Bank's maximum credit exposure.

The maximum exposure to credit risk at the reporting date was as follows:

	2022 GHS	2021 GHS
Cash and Balances with Other Banks	28,955,585	9,241,207
Non - Pledged Trading Assets	60,727,532	50,695,493
Loans and Advances	38,624,550	32,402,228
Other Assets	2,639,529	2,254,850
	130,947,196	94,593,778

All receivables that are neither past due nor impaired are within their approved credit limits, and no receivables have had their terms renegotiated.

At 31st December, 2022, the Bank's Financial Assets were categorized under IFRS 9 as follows:

Stage 1 – At initial recognition Performing

Stage 2 – Significant increase in Credit risk since initial recognition – Underperforming

Stage 3 – Credit Impaired – Non- Performing

	Stage 1 GHS	Stage 2 GHS	Stage 3 GHS	Total GHS
Cash and Cash Equivalents	28,955,585			28,955,585
Non - Pledged Trading Assets	63,821,317			63,821,317
Investment other than securities	61,971			61,971
Loans and Advances to Customers	40,740,510			40,740,510
Other Assets (Less Prepayments)	2,633,813			2,633,813
Gross Carrying Amount	136,213,196			136,213,196
Loss Allowances	(3,383,956)	(4,153)	(1,821,636)	(5,209,745)
Net Carrying Amount	132,829,240	(4,153)	(1,821,636)	131,003,451

2021	Stage 1 GHS	Stage 2 GHS	Stage 3 GHS	Total GHS
Cash and Cash Equivalents	9,241,207	-	-	9,241,207
Non - Pledged Trading Assets	51,368,389	-	-	51,368,389
Investment other than securities	61,971	-	-	61,971
Loans and Advances to Customers	30,753,154	1,654,596	1,815,073	34,222,823
Other Assets (Less Prepayments)	2,248,265	-	-	2,248,265
Gross Carrying Amount	93,672,986	1,654,596	1,815,073	97,142,656
Loss Allowances	(941,765)	(160,419)	(1,391,307)	(2,493,491)
Net Carrying Amount	92,731,221	1,494,177	423,766	94,649,165

Impaired loans and Securities

Impaired loans and securities are loans and securities for which the Bank determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan/securities agreement(s). Interest on these loans are calculated and treated on non-accrual basis and portions shall only be considered when payments (settlement) are made.

Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Bank has made concessions that it would not otherwise consider. The status or risk grade of a restructured facility does change until there is evidence of performance over a reasonable period of time.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, a Bank shall recalculate the gross carrying amount of the financial asset and shall recognise a modification gain or loss in profit or loss. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

Allowances for impairment

The Bank establishes an allowance for impairment losses that represents the estimate of incurred losses in the loan portfolios. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for groups of homogeneous assets in respect of losses that have been incurred but have not been identified on loans subject to individual assessment for impairment.

Write-Off Policy

The Bank writes off loans when it determines that the loans are uncollectible. This determination will be reached after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer discharge the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. Related and connected lending is not permitted to be written off unless with the approval of Bank of Ghana.

Collateral of Impaired exposures

The Bank holds collateral against loans and advances to customers in the form of cash deposits, mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired. Collateral is not normally held for loans and advances to Bank, when securities are held as part of reverse repurchase and securities borrowing activity. Collateral is not usually held against investment securities, and no such collateral

collateral was held at 31 December 2022 and 2021. An estimate of the fair value of collateral and other security enhancements held against financial assets is shown below. It must, however, be noted that collateral values of impaired loans are at cash flows of the forced sale values less estimated costs of sale as discounted to present values:

	Loans & Advances to Customers 2022 GHS	Loans & Advances to Customers 2021 GHS
Cash and near Cash Instruments	3,648,318	2,768,012

Repossessed assets

The Bank did not repossess any customer's asset during the period. If the Bank would have repossessed, the type and carrying amount of collateral would have been the lower of its carrying amount and fair value less costs to sell. All assets repossessed if any are to be sold within one year of possession and approval would be sought from Bank of Ghana for those which efforts towards sale have not been successful within one year. The Bank monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk at the reporting date is shown below:

	2022 GHS	2021 GHS
Agriculture	535,401	400,782
Cottage Industry	568,402	490,049
Transport	582,515	493,162
Trading	23,549,574	21,310,284
Others	15,504,618	11,528,546
	40,740,510	34,222,823
Credit Impairment Loss	(2,115,960)	(1,820,595)
	38,624,550	32,402,228

(b) Liquidity Risk

Liquidity risk is the risk that the Bank will not be able to meet its financial obligations as they fall due. The risk arises from mismatches in cash flows.

Management of liquidity risk

The Bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses that will damage to the Bank's reputation.

The Head office receives information from other branches regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. The Head office then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Bank as a whole. The liquidity requirements of branches are met through short-term loans from Head Office to cover any short-term fluctuations and longer-term funding to address any structural liquidity requirements. When an operating branch is subject to a liquidity limit, it manages the regulatory limit in co-ordination with Head Office, Head Office monitors compliance of branches with local regulatory limits on a daily basis. The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by the Finance and operation committee. Daily reports cover the liquidity position of the Bank. A summary report, including any exceptions and remedial action taken, is submitted regularly to the finance and operations committee.

Exposure to liquidity risk

The key measure used by the Bank for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose, net liquid assets are considered as including cash and cash equivalents and investment grade debt securities for which there is an active and liquid market less any deposits from banks, debt securities issued, other borrowings and commitments maturing within the next month. Details of the net liquid assets to deposits and customers at the reporting date and during the reporting period were as follows:

	2022 %	2021 %
At 31 December	65.09	57.79
Average for the period	57.91	56.20
Maximum for the period	61.29	60.27
Minimum for the period	55.62	51.88

(c) Market risk

Market risk represents the risk exposures the Bank has in relation to instruments whose value vary with the level of interest rates. These include investments, debt securities, and borrowings.

The Bank's exposure to the risk of changes in market interest rates relates primarily to its long-term borrowings with floating interest rates. All of its borrowings are at floating interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Management of market risk

The Bank separates its exposure to market risk between trading and non-trading portfolios. Trading portfolios mainly are held by the treasury unit, and include positions arising from market making and proprietary position taking, together with financial assets and liabilities that are managed on a fair value basis.

Overall authority for market risk is vested in credit committee. The Bank is responsible for the development of detailed risk management policies (subject to review and approval by credit committee) and for the day-to-day review of their implementation.

Exposure to market risk – trading portfolios

The principal tool used to measure and control market risk exposure within the Bank's trading portfolios is Value at Risk (VaR). The VaR of a trading portfolio is the estimated loss that will arise on the portfolio over a specified period of time (holding period) from an adverse market movement with a specified probability (confidence level). The VaR model used by the Bank is based upon a 99 percent confidence level and assumes a 10-day holding period. The VaR model used is based mainly on historical simulation. Taking account of market data from the previous two years, and observed relationships between different markets and prices of plausible future scenarios for market price movements.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do give rise to some limitations, including the following:

- A 10-day holding period assumes that it is possible to hedge or dispose of positions within that period. This is considered to be a realistic assumption in almost all cases but may not be the case in situations in which there is severe market illiquidity for a prolonged period.

- A 99 percent confidence level does not reflect losses that may occur beyond this level. Even within the model used there is a one percent probability that losses could exceed the VaR.

- VaR is calculated on an end-of-day basis and does not reflect exposures that may arise on positions during the trading day.

- The use of historical data as a basis for determining the possible range of future outcomes may not always cover all possible scenarios, especially those of an exceptional nature.

- The VaR measure is dependent upon the Bank's position and the volatility of market prices. The VaR of an unchanged position reduces if the market price volatility declines and vice versa.

The Bank uses VaR limits for total market risk, interest rate, equity and other price risks. The overall structure of VaR limits is subject to review and approval by credit and marketing committee. VaR limits are allocated to trading portfolios. VaR is measured at least daily and more regularly for more actively traded portfolios.

Daily reports of utilisation of VaR limits are submitted to Bank risk and regular summaries are submitted to the credit and marketing committee.

The limitations of the VaR methodology are recognized by supplementing VaR limits with other position and sensitivity limit structures, including limits to address potential concentration risks within each trading portfolio. In addition, the Bank uses a wide range of stress tests to model the financial impact of a variety of exceptional market scenarios on individual trading portfolios and the Bank's overall position.

Exposure to interest rate risk – non-trading portfolios

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instrument because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

The credit and marketing committee is the monitoring body for compliance with these limits and is assisted by finance and operations department in its day-to-day monitoring activities. The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis point (bp) fall or rise in all financial market interest rates. Overall non-trading interest rate risk positions are managed by Central Treasury, which uses investment securities, advances to banks, deposits from banks and derivative instruments to manage the overall position arising from the Bank's non-trading activities.

Exposure to other market risks – non-trading portfolios

Credit spread risk (not relating to changes in the obligor / issuer's credit standing) on debt securities held by Central Treasury and equity price risk is subject to regular monitoring by Bank risk, but is not currently significant in relation to the overall results and financial position of the Bank.

(d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Bank's operations and are faced by all business entities. The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Bank's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Bank standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

(e) Compliance and regulatory risk

In order to strengthen the Bank's compliance with regulatory requirements, the Bank organises series of dedicated training on a regular basis to equip staff with compliance and regulatory issues in order to minimise risk emanating therefrom.

(f) Legal risk

The Bank's activities are undertaken in a manner which adequately reduces the risks which may arise out of material litigation to be initiated against it (the Bank).

(g) Reputational risk

The Bank conducts its business in a responsible, professional and transparent manner. The Bank safeguards the interest of its clients as well as its reputation. This is aimed at demonstrating our commitment and fostering a long-term relationship with our clients and the public at large. We manage our image and reputation in a professional manner.

(h) Capital Risk management

The Capital Management Objective of the Bank is to ensure that the financial net asset at the end of the financial year exceeds the financial amount of the net assets at the beginning of the year after deducting distributions and adding contributions from owners.

This objective will be to ensure that at any time, the Stated Capital requirement by the Bank of Ghana would be met and also to comply with the Capital Adequacy Ratio Regulatory requirements of the Bank of Ghana. This will be achieved by maintaining an appropriate level of profits to meet these expected Capital increases by the Bank of Ghana.

The Bank's regulator, the Bank of Ghana sets and monitors capital requirements for the Bank as a whole. In implementing the current capital requirement, the Bank of Ghana requires the Bank to maintain a prescribed ratio of total capital to total risk-weighted assets.

The Bank's regulatory capital is analyzed as follows:

Tier 1 Capital, also referred to as core/primary capital is made up of equity and disclosed reserves. Equity includes issued and fully paid ordinary share capital and perpetual non-cumulative preference shares. Disclosed reserves relate to those created or increased by an appropriation of after-tax retained earnings/surplus, retained profits, and general statutory reserves and do not include regulatory credit risk reserve.

	2022 GHS	2021 GHS
Paid Capital	1,584,159	1,495,459
Disclosed Reserves	3,993,475	2,473,323
Permanent Preference Shares	13	13
Tier 1 Capital	5,577,647	3,968,795
Investments in the capital of other Banks	(61,971)	(61,971)
Revaluation Reserves	-	-
Tier 2 Capital	<u>5,515,676</u>	<u>3,906,824</u>

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor, and market confidence, and to sustain the future development of the business. The impact of the level of capital on shareholders' return is also recognized and the Bank recognizes the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Bank did not comply with all the statutory capital requirements throughout the period. There have been no material changes in the Bank's management of capital during this period.

43. Financial assets and financial liabilities**Fair values**

Set out below is a comparison by class of the carrying amounts and fair values of the Bank's financial instruments that are carried in the financial statements.

	Carrying amount		Dec. 31 2022 GHS	Fair Value Dec. 31 2021 GHS
	Dec. 31 2022 GHS	Dec. 31 2021 GHS		
Financial assets				
Cash and Balances with Other Banks	28,955,585	9,241,207	28,955,585	9,241,207
Non- Pledged Trading Assets	60,727,532	50,695,493	60,727,532	50,695,493
Loans and Advances	38,624,550	32,402,228	38,624,550	32,402,228
Other Assets	2,639,529	2,254,850	2,639,529	2,254,850
Total	130,947,196	94,593,778	130,947,196	94,593,778
Financial Liabilities				
Current Accounts	27,260,357	16,851,773	27,260,357	16,851,773
Savings Accounts	42,539,651	32,382,253	42,539,651	32,382,253
Time Deposits	17,346,832	16,261,246	17,346,832	16,261,246
Susu Deposits	37,117,711	27,989,942	37,117,711	27,989,942
Loans from Other Financial Institutions	1,924,533	-	1,924,533	-
Interest and Other Liabilities	5,600,805	3,971,786	5,600,805	3,971,786
Total	131,789,889	97,457,000	131,789,889	97,457,000

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, loans and advances, deposits and current accounts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Bank based on parameters such as interest rates. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at December 31, 2022, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

44. Fair Value Hierarchy

As at 31 December 2022, the Bank held the following financial instruments carried at fair value on the statement of financial position: The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2022, the Bank held the following financial instruments measured at fair value:

2022	Total GHS	Level 1 GHS	Level 2 GHS	Level 3 GHS
Financial assets				
Cash and Balances with Other Banks	28,955,585		28,955,585	-
Non- Pledged Trading Assets	60,727,532		60,727,532	-
Loans and advances	38,624,550		38,624,550	-
Other assets	2,639,529		2,639,529	-
Total	130,947,196	-	130,947,196	-
Financial Liabilities				
Current Accounts	27,260,357		27,260,357	-
Savings Accounts	42,539,651		42,539,651	-
Time Deposits	17,346,832		17,346,832	-
Susu Deposits	37,117,711		37,117,711	-
Loan from other Financial Institutions	1,924,533		1,924,533	-
Interest and Bills Payable	5,600,805		5,600,805	-
Total	131,789,889	-	131,789,889	-

The Bank carries unquoted equity shares as available-for-sale financial instruments classified as Level 3 within the fair value hierarchy.

2021	Total GHS	Level 1 GHS	Level 2 GHS	Level 3 GHS
Financial assets				
Cash and Balances with Other Banks	9,241,207	-	9,241,207	-
Non- Pledged Trading Assets	50,695,493	-	50,695,493	-
Loans and advances	32,402,228	-	32,402,228	-
Other assets	2,254,850	-	2,254,850	-
Total	94,593,778	-	94,593,778	-
Financial Liabilities				
Current Accounts	16,851,773	-	16,851,773	-
Savings Accounts	32,382,253	-	32,382,253	-
Time Deposits	16,261,246	-	16,261,246	-
Susu Deposits	27,989,942	-	27,989,942	-
Interest and Bills Payable	3,971,786	-	3,971,786	-
Total	97,457,000	-	97,457,000	-

During the reporting period ending 31 December 2021, there were transfers between Level 1 and Level 3 fair value measurements. No other transfers were made.

45. Value Added Statement

	2022 GHS	2021 GHS
Interest earned and other operating income	23,930,198	16,885,300
Direct cost service	(8,404,901)	(6,184,757)
Value added by banking services	15,525,297	10,700,543
Non-banking services	151,001	42,550
Impairments on Financial Assets	(2,716,255)	(964,699)
Value added	12,960,043	9,778,394
Distributed as follows:		
To Employees:		
Directors (without executives)		24,600
Executive directors		
Other employees	10,087,718	7,672,360
To Government:		
Income Tax	520,059	322,765
Under Provision of Tax	-	-
To providers of capital		
Dividends to shareholders	-	-
To expansion and growth		
Depreciation	770,718	659,205
Amortisation	55,256	50,292
Retained earnings	1,526,292	1,049,172
	12,960,043	9,778,394

	2022 GHS	2021 GHS
PERSONNEL COST		
Salaries and Wages	5,148,971	4,205,355
Social Security Contribution(13%)	659,993	536,675
Provident Fund Contribution(7.5%)	326,768	272,414
Staff Training Expenses	34,396	43,387
Annual Bonus	776,868	648,582
Other Staff Cost	1,576,411	899,743
Staff Allowances	597,591	420,129
Long Service Award	27,502	52,220
End of Service Benefits	234,088	172,613
Medical Expenses	204,356	19,964
Staff Clothing Allowance	500,774	401,278
	10,087,718	7,672,360
OCCUPANCY COST		
Repairs and Maintenance	201,330	141,663
Rate Expenses	36,909	33,218
Cleaning & Sanitation	40,007	48,578
Generator Running Expenses	125,541	75,464
Electricity and Water	332,448	278,953
	736,235	577,876
GENERAL & ADMINISTRATION EXPENSES		
Travelling and Transport	1,965,360	1,004,248
Printing and Stationery	247,678	190,650
Hospitality to Guest & Protocol Expenses	50,970	89,680
Board Meeting Expenses		
- Sitting Allowance	68,832	52,564
- Travelling and Transport	217,298	96,679
- Retiring Benefits	-	33,648
- Fees	-	24,600
Directors Training	35,043	50,269
Specie Movement Expenses	9,242	9,555
Management & Staff Meetings	22,810	38,539
Auditing & Supervision Expenses	5,800	6,447
	2,623,033	1,596,879

	2022	2021
	GHS	GHS
Balance Brought Forward	2,623,033	1,596,879
Audit Fees	50,000	35,496
VAT on Audit fees	10,950	6,833
Business Promotion	152,038	30,500
Insurance	132,680	113,601
Postages and Telecommunications	118,633	100,734
Software Maintenance	346,814	370,875
Hotel Accommodation	7,786	10,165
Motor Vehicle Running Expenses (Fuel & Repairs)	364,451	227,767
Legal Expenses	12,000	12,000
Newspapers, Subscriptions and Periodicals	120,827	104,539
Deposit Protection Insurance	280,456	236,955
Advertising and Publicity	142,178	106,046
Annual General Meeting Expenses	71,866	70,599
Donation and Charitable Contributions	60,184	22,145
Social Responsibility	108,759	36,429
Computerisation Expenses	53,487	38,091
Security Guard Expenses	168,378	169,100
Police Guard	65,205	36,519
Loan Recovery Expenses	26,878	49,379
Sundry Expenses	47,104	40,750
Cashiers Efficiency	23,257	23,502
Professional Charges	7,000	5,000
Bank Charges	64,086	102,749
	5,058,050	3,546,653
TOTAL OPERATING EXPENSES	15,882,003	11,796,889

Number of Shareholders

The Bank had Four Thousand, Seven Hundred and Twenty - Seven (4,727) ordinary shareholders as at 31st December, 2022 distributed as follows:

Category	Number of Shareholders	Number of Shares	Percentage Holding (%)
1-1,000	1,362	635,609	0.72
1,001-5,000	1,443	4,284,492	4.84
5,001-10,000	670	4,836,531	5.46
Over 10,000	1,252	78,853,124	88.99
Total	4,727	88,609,756	100

Directors' shareholding

Name of Director	Number of Shares	Percentage Holding (%)
1 Mr. Kennedy Obiri-Yeboah	905,691	1.02
2 Rev. Eric Boakye-Yiadom	1,128,877	1.274
3 Professor Siaw Frimpong	1,042,606	1.18
4 Mr. Emmanuel Owusu-Boakye	833,467	0.94
5 Mr. Kwasi Bempa Esq	483,885	0.55
Total	4,394,526	4.96

Twenty (20) largest Shareholders

Name of Shareholder	Number of Shares	Percentage Holding (%)
1 Mrs. Cecilia Gyamfua Tufuor	7,500,000	8.46
2 Mr. Raphael Kwasi Tufuor	5,874,709	6.63
3 Mr. Kwabena Sapon Manu	5,000,000	5.64
4 Mr. Ernest Kwame Onyiah	2,500,000	2.82
5 Albert Kan Dapaah	2,500,000	2.82
6 Mr. Osei Kwasi Yeboah	2,500,000	2.82
7 Dr. Emmanuel Obeng	1,500,000	1.69
8 Mr. Seth Anokye	1,220,346	1.38
9 Mr. Kwaku Boateng	1,176,630	1.33
10 Rev. Eric Boakye Yiadom	1,128,877	1.27
11 Professor Siaw Frimpong	1,021,465	1.15
12 Mr. Edwin Tufuor	1,000,000	1.13
13 Dr. Raphael Kwasi Sarpong Tufuor	1,000,000	1.13
14 Mr. Jude Atakora Tufuor	1,000,000	1.13
15 Dr. Stephen Osei Yaw Tufuor	1,000,000	1.13
16 Dr. Martha Tufuor	1,000,000	1.13
17 Nana Cecilia Boatemaa Tufuor	1,000,000	1.13
18 Mr. Kennedy Obiri-Yeboah	905,691	1.02
19 Mr. Emmanuel Owusu-Boakye	833,467	0.94
20 Dr. Osei Kwame (Despite)	735,245	0.83
Reported Totals	40,396,430	45.59
Unreported Totals	48,213,326	54.41
Total	88,609,756	100